

# **REPUBLIC OF RWANDA**



## **MINISTRY OF LOCAL GOVERNMENT, INFORMATION AND SOCIAL AFFAIRS.**

### **FINANCIAL MANAGEMENT AND ACCOUNTING PROCEDURES MANUAL FOR LOCAL ADMINISTRATION IN RWANDA.**

*April 2003*

## **TABLE OF CONTENTS**

Foreword .....	5
Summary .....	6
Acronyms and Abbreviations.....	7
<b>PART ONE : FINANCIAL MANAGEMENT PROCEDURES.....</b>	<b>8</b>
<b>1.0. Introduction.....</b>	<b>8</b>
<b>1. Roles and responsibilities of District and Urban Organs in Financial management .....</b>	<b>9</b>
1.01. District or Urban Council.....	9
1.02. District/Urban Executive Committee .....	10
1.03. District or Urban Permanent Commissions .....	12
1.04. Tender Board Committees .....	12
1.05. Recruitment Committee.....	13
1.06. District or Urban Executive Secretary .....	13
1.07. Heads of Departments.....	15
1.08. District or Urban Revenue Officer.....	16
1.09. Accountant .....	16
1.10. Internal Auditor .....	17
1.10.1 Role of Internal Auditor in Local Administration .....	17
1.10.2 Internal Auditor Reports.....	17
1.11. Prefect of Province/Mayor of Kigali City.....	18
1.12. Ministry in charge of Local Administration .....	18
1.13. Ministry in charge of Finance .....	19
1.14. Auditor General of State Finances .....	19
1.15. Parliamentary Commission responsible for Budget and State property.....	19
1.16. Donor Community and NGOs.....	19
<b>2. Budget Management System .....</b>	<b>20</b>
2.0. Introduction .....	20
2.1. Establishment of Priorities .....	20
2.2. Budgeting approaches and procedures .....	21
2.3. Budget re-allocation.....	22
2.4. Re-allocation of Budget lines.....	22
2.5. Supplementary budget .....	22
2.6. Budget format “MTEF format”.....	23
2.6.1. Preamble.....	23
2.6.2. Budget Body .....	23
2.6.3. Explanatory notes.....	24

<b>3. Revenue Management .....</b>	<b>24</b>
3.0. Introduction .....	24
3.01. Local Government revenue sources.....	24
3.02. Revenue collection at the local level.....	25
3.03. Collection Process of local taxes.....	26
3.04. Central Government transfers.....	28
3.05. Donor Funds .....	29
3.06. Loans.....	29
3.07. Overdraft.....	30
3.08. Investments .....	30
3.09. Fixed deposits .....	30
<b>4. Procurement/tendering procedures.....</b>	<b>31</b>
4.0. Introduction .....	31
4.1. Preparation of tender advertisement.....	31
4.2. Advertisement for Tender .....	31
4.3. Submission of the tender applications.....	32
4.4. Opening of tenders/quotations.....	33
4.5. Evaluation of tenders/Quotations .....	33
4.5.1 Criteria used in evaluation of tenders quotations.....	34
4.6. Acceptance of tender.....	34
4.7. Limitations of the District or Urban Tender Committee.....	36
4.8. Disclosure of Tender results.....	36
4.9. Report on awarding of Tender .....	36
4.10. Contracts.....	37
4.11. Instituting a purchase Order.....	37
<b>5. Expenditure/Payments management .....</b>	<b>38</b>
5.0. Principles.....	38
5.01. Expenditure procedure.....	38
5.02. Security measures for accounts documents.....	41
5.03. Banking.....	43
<b>6. Management of Local Administration property.....</b>	<b>43</b>
6.01. Fixed assets.....	43
6.02. Management of buildings.....	45
6.03. Stock management.....	47
6.04. Management of vehicles.....	48
6.05. Management of District accounts.....	50
6.06. Petty Cash operations.....	52

<b>7. Audit Functions.....</b>	<b>52</b>
7.0. Introduction.....	52
7.01. Internal Audit.....	53
7.02. Management of Internal audit.....	53
7.03. Recording .....	53
7.04. Auditing papers .....	54
7.02.1. Record keeping.....	54
7.02.2. Sample of Standard audit procedures.....	54
7.03. External audit.....	55
<b>PART 11: ACCOUNTING PROCEDURES.....</b>	<b>56</b>
8. General Principles.....	56
8.01. Accounting norms.....	56
8.02. Basic principles of accounts.....	56
8.03. Nature of accounts.....	57
8.03.1. Financial accounts.....	57
8.03.2. Management accounts .....	57
8.03.3. Account by Program/Function/or type of budget.....	58
8.03.4. Off -Balance sheet account.....	58
<b>9. Keeping Accounts.....</b>	<b>58</b>
9.01. The Principle of double entry system.....	58
9.02. Different types of Local Administration transactions.....	58
9.02.1. Revenue Collection .....	58
9.02.2. Expenditure.....	59
9.02.3. Salaries.....	60
9.03. Accounting cycle.....	61
<b>10. Financial Reports.....</b>	<b>62</b>
10.01. Financial Situation /Balance Sheet.....	63
10.02. Financial Performance Situation (Receipts and Expenditure).....	65
10.03. Budget management situation.....	68
10.04. Situation of effective revenue and planned revenue.....	69
10.05. Bank reconciliation.....	70
10.06. Monthly financial management indicators report.....	71
10.07. Table of Cash flow.....	72
10.08. Information to be communicated on financial situation.....	73

## FOREWORD

Decentralisation in Rwanda is a major Government policy. Its broad objective is empowering the people and strengthening the practice of good governance, poverty reduction and sustainable development through people's action. This policy approved in May 2000, envisages giving the Rwandese population the ability of taking into their own hands their own destiny. It enables the people to define the actual priorities and mobilising resources as well as utilizing them efficiently. One of the important steps in the democratic decentralization process the government has taken is the election of Local Councilors. These elections were accomplished with success in the first quarter of 1999-2001 and 2002 and they subsequently led to the effective establishment of decentralized local and grass root administration.

The decentralisation program implies the transfer of power and authority from central level to administrative entities at the local and grass root levels. Policies and programs must therefore be put in place to ensure efficient and effective management of resources. Transparency and obligation of accountability are the practices which should characterise this management.

The responsibility of all the concerned parties and their development partners is to ensure that the objectives of decentralization are realised. This manual is produced after the participation of various partners with this aim in mind. Its objective is to create a common vision and harmony of procedures and practices in financial management at local government levels.

This manual provides the desired management tools and apportions financial responsibility. It requires different institutions and administrators to be receptive and responsible in undertaking their roles. It therefore puts emphasis on individual, institutional and collective responsibility.

The present manual includes different mechanisms of checks and balances with a view of ensuring a sense of accountability and transparency, which is one of the basic principles of decentralization.

This manual was conceived and written in a manner that should be easy to use and ensure effective participation by all actors. It therefore encourages each actor involved in the running of local administration to take note of its contents with the aim of achieving the ultimate objectives of decentralization.

The reading and use of this manual should be done bearing in mind the laws and instructions already promulgated.

**Minister of State in the Ministry of Local Government,  
Information and Social Affairs  
MUSONI Protais**

## SUMMARY

The responsibilities and challenges of the Decentralisation Policy require discipline and systems which are based on cost-benefit principles in the mobilisation and utilization of resources and provision of value for money services.

The present manual identifies different actors involved in the financial management at Local Administration level and defines their roles and obligations. It equally gives strategic linkages with different partners. The program of decentralisation is destined to reinforce participation, transparency, accountability and a sense of responsibility in the management of local administration. This manual determines the practice and procedures of financial management in decentralized governance in the pursuit of these objectives.

The manual briefly presents the process of budgeting, which guarantees the participation of different concerned parties from Community Development Committees at the Cell level up to central Government level. This process involves public sector, private sector, civil society and community organizations at a local level with a view of achieving integrated development efforts. The “MTEF” budgeting format allows the development of budgetary systems which explain clearly the reflections of past performances, future projections and embraces budget management by program and activity.

Concerning the management of resources, the manual defines the ultimate sources of revenue and their mode of management. As for expenditures, the manual indicates the procedures to be followed, including the roles and functions of the Tender Board Committees.

The procedures related to accounts and auditing are well explained linking and plans of action with periodic reports.

In all these systems of procedure, the formats for the reports and accountability layouts are also given. Adherence to the application of this manual will encourage the indispensable mechanisms of checks and balances which are essential for the management of fiscal decentralization. The role of the Internal Auditor is specified to give a summarized list to different civil servants of how financial management is conducted.

**Secretary General in the Ministry of Local Government,  
Information and Social Affairs  
MUSONI Protais**

## ACCRONYMS AND ABBREVIATIONS

<b>CDC</b>	:	Community Development Committee
<b>DDC</b>	:	District Development Committee
<b>DEC</b>	:	District Executive Committee
<b>TB</b>	:	Tender Board
<b>IA</b>	:	Internal Audit
<b>AP</b>	:	Authorisation to Pay
<b>OV</b>	:	Order Voucher
<b>RV</b>	:	Requisition Voucher
<b>PV</b>	:	Payment Voucher
<b>TR</b>	:	Transfer Register
<b>TR</b>	:	Tax Receipt
<b>MINALOC</b>	:	Ministry of Local Government, Information and Social Affairs.
<b>MINECOFIN</b>	:	Ministry of Finance and Economic Planning.

## **PART ONE : FINANCIAL MANAGEMENT PROCEDURES.**

### **1.0. Introduction**

The Laws n° 04/2000 of 13 January 2001; 34/2002 of 14 November 2002, law 05/2001 of 18 January 2001 *as amended and completed to date* empower the local administration to design plans of action, budgets as well as mobilize the necessary resources in accordance with the procedures provided in this manual.

The local population, through various beneficiaries and professional associations is empowered to follow up the implementation of each council activity in its area of jurisdiction. The associations should be part and parcel of the development process in their local areas

The Local Administration and Central Government organs have the responsibility of ensuring that financial management and other related responsibilities are carried out efficiently and effectively.

The Councilors in collaboration with their standing committees and the Central Government assume the role of supervision and inspection.

These functions are indispensable in order to guarantee the participation, transparency and the obligation to account, and the mechanisms of follow up and control.

The donor agencies, NGOs and other partners in development shall have a say in the financial management of local administration up to the level of their financial commitments within the said respective local administrative structures.

### **The organs involved in financial management**

The Laws on Local Administration require the following organs of Local Administration and Local Government to intervene in the financial management at local levels.

- District or Town Council;
- Executive Committee;
- District or Town Standing Commissions;
- Tender Board committee;
- Recruitment Committee;
- Executive Secretary of District or Town, or Kigali City;
- Services charged with collection and expenditure of taxes;
- Internal Auditor;
- Heads of Departments;
- Donor Agencies/NGOs;

- Prefects of Provinces;
- Auditor General;
- Ministry having local Administration within its attributions;
- Ministry having finance within its attributions;
- Parliamentary commission having the budget in its attributions;

## **I: Roles and responsibilities of District or Town organs in the Financial management**

### **1.01.The District or Urban Council**

- The Council supervises the drawing up, development and adoption of the budget.
- The budget committee ensures that the budget is sufficiently detailed to facilitate interpretation, implementation and follow up. The budget should be reasonably flexible to allow implementation and necessary re-adjustments.
- The Council ensures that the budget is balanced before its adoption. This will guarantee stability in its implementation. The final budget should give a feedback on performance of the development plans.
- The Council can transfer funds from one budget line to another. It is only in the case where one of the programs has exhausted its line budget that such re-adjustment of the budget is effected. The Council then examines the request from the accountant and approves the budgetary re-allocation.
- The Council approves proposals of supplementary budget estimates from departments appointed by Central Government and also approves funds coming from donor agencies and NGOs when negotiated in the middle of the budget year.
- These proposals are submitted to the District Council by the Executive Secretary after consultation with the District Development Committee or Urban Development Committee.
- The Council mobilizes resources from outside contributions and other sources to enable it to implement its action plan.
- The Council must approve the offices/institutions which are indispensable in the efficient running of Local Administration. The Council also ensures that recruitment is done in an appropriate way.
- The Council provides in its budget, necessary funds for capacity building for the Councilors and other council employees with the objective of improving the financial management capacities of Local Administration.

- The Council guarantees the functioning of an internal audit in the context of control and the general supervision of internal management. The Council analyses reports of the internal auditor and makes recommendations of appropriate measures to be taken by the Executive Committee.
- On the recommendation of the Executive Committee, the Council authorises the cancellation of bad debts of the Local Administration considered irrecoverable or depreciated fixed assets. These decisions must be communicated to the Prefect of the Province and the Auditor General.
- The Council is expected to ensure production of final annual accounts and their submission to the Auditor General of Government .

### **1.02. District/Urban Executive Committee**

The Executive Committee performs the following functions on behalf of the District Council:

- Ensures the general supervision and financial management in conformity with agreed upon procedures of financial management.
- Approves departmental work plans and quarterly budgets. At the end of each quarter , the heads of department prepare work plans and quarterly budgets and take them to the Executive Committee who verify if they conform to the budget approved by Council; and the already (approved work plans and available resources).
- Analyses progressive quarterly reports in comparison with preceding plans of action. At the end of each quarter , the Heads of Department give progressive reports which are assembled by the Executive Secretary for the attention of the Executive Committee. The Heads of Department provide a copy of their reports to the President of the relevant Commission under which the department falls.
- Ensures the follow-up and implementation of the Council policies. The Executive Committee supervises the implementation of the Council policies and examines the expenditures incurred and their consequences. The Executive Committee performs this role in two ways: First, in their role as individual secretaries of specific departments they will prepare, in their area of concern, a report on their departments. Afterwards, they can collectively make a follow-up of the policies of the Council.
- Receive monthly financial reports through the Vice-Mayor responsible for economic development. The detailed financial reports shall be prepared by the accountant and sent by the Executive Secretary to the Executive Committee for consideration.

- The Internal Auditor gives a copy of the quarterly audit report to the Executive Committee. These reports are examined by the Executive Committee who prepare certain recommendations to transmit to the Council for approval.
- The Secretary to the Council, who is also the Executive Secretary, presents the quarterly reports on the performance of tenders to the Executive Committee for information and analysis. The Executive Committee then present their analysis to the Council in their ordinary meetings.
- At the end of the budgetary period, a monitoring committee is constituted by the Executive Secretary which closes books of accounts for the year, just ending, evaluates the situation of the stock, and makes recommendations concerning the procedure for the clearing of expired stock. The Executive Committee examines these reports.
- The Accountant, Internal Auditor and the Executive Secretary must furnish a report to the Council, which reflects payments due. In such a case one can institute a supplementary budget. Money lost due to negligence by the person in charge must be recovered from his salary.
- Proposes to the Council the reallocation of requisition vouchers and bank credits. This is done when money allocated to a specific budget line is exhausted and there is a necessity to re-allocate funds from another budget line of expenditure which had not been utilised following the revision of priority activities.
- Approve a vote on account: this arrangement is provided for in the Law that governs District and Towns. This arrangement applies when the budget is not adopted in time. The Vice-Mayor in charge of Finances and Development presents a report to the chair person of the District Council who authorises the utilization each month of anticipated funds, but without exceeding a twelveth of the total budget in question. A report shall be given to the Council in the course of its following ordinary meeting or at the time of approving the annual budget.
- Make a plea : the Executive Committee will make a plea for the mobilization of resources from different sources.
- At the end of the year, the Executive Committee, through the District Development Committee or Urban Development Committee evaluates the performance of the District or Urban Council in relation to action plans and approved budgets and gives advice on the course of action, to take and realistic measures to improve performance.
- In collaboration with Economic and Technical Commission, the Executive Committee will analyse the annual accounts presented by the Executive Secretary.

### **1.03. District or Town Permanent Commissions**

The Law on the functioning and management of Districts and Towns creates Permanent Commissions. All the departments are under the responsibility of these commissions. The functions of these commissions in terms of financial management shall therefore be the following:

- The Commissions shall receive and verify progress reports from departments under their responsibility.
- The commissions shall verify the respect of equity and ensure that certain programs are not forgotten in terms of resource allocation and their implementation.
- The Economic and Technical Commission shall analyse the financial reports and when need arises shall ask the Vice Mayor in charge of finances or the Executive Secretary and /or the Accountant to provide the necessary explanation.
- The Economic and Technical Commission shall analyse in depth the internal and external audit reports and will notify the Council of its findings.

### **1.04. The Tender Board Committee**

- The Tender committee ensures that tenders are given, in a transparent manner and ensures that they are given in conformity with the cost-benefit / value for money principles.
- The Tender committee shall furnish a list of local tenderers who are not registered by the National Tender Board with a view of facilitating and promoting local entrepreneurship. This list shall be up-dated and revised regularly.
- The Tender committee shall evaluate the quality of goods and services provided by the tenderers. This evaluation shall give the basic information necessary to award tenders.
- The Secretary to the Tender Committee whose post is provided for in the internal management of Committee gives the Executive Committee quarterly reports.

### **1.05. Recruitment Committee**

The functions of the Recruitment Committee are as follows:

- Recruit suitable and qualified personnel who can be trained;
- Fill within a reasonable period all posts declared vacant by the Executive Secretary.
- Apply disciplinary measures as recommended by the Executive Secretary on advice of the Council.
- Ensure appropriate employment policies are in place to maintain motivation.

### **1.06. District or Urban Executive Secretary.**

The Executive Secretary assumes the following responsibilities to ensure good financial management and conformity with accounting procedures:

- Is a final signatory to the payment authorizations and cheques for the Administration. He/She is accountable for all the expenditures to all competent authorities. In this case the competent authorities shall be the District Council, the Central Government, donor agencies and NGOs.
- Ensures that the structures and recommended personnel are put in place for good financial management.
- Strengthens the capacity of personnel in financial systems and accounting procedures.
- Ensure adequate equipment, including stock of books of accounts and office furniture necessary for good financial management.
- Organise workshops, seminars, courses and training sessions to ensure capacity development of the members of the Council and its organs.
- Put in place the budget committee which ensures effective budgetary development processes and the implementation and follow-up of the budget. This team technically evaluates the conformity to budgetary provisions. The Budget Follow-up Team is constituted of the Executive Secretary, the Accountant, and heads of departments. The team has the following functions:
  - To ensure that the cycle and the budgetary formats are adhered to in the development and adoption of the budget.
  - To submit budget proposals in time to the District Development Committee.

- To ensure the follow-up and implementation of the budget and make recommendations to the Executive Committee through the Executive Secretary.
- In collaboration with the Internal Auditor, verify the implementation of the budget according to the cost-benefit analysis and formulate recommendations for the attention of the Executive Secretary with a view to improving the system and its performance.
- Ensure the follow-up of revenue collection and recommend other prospective revenue sources for an efficient financial administration.
- See to it that mobilization of resources is done in conformity with fiscal law and the budget.
- Ensure that the work plans and detailed quarterly action plans are developed in conformity with approved budget.
- Closely follow-up to confirm if plans of action are adhered to in the course of budgetary implementation.
- Ensure exact and timely budget follow-up. This is aimed at ensuring that observations are made on action plans in time. The Budget Committee reminds each head of department of the performance of his/her action plans.
- The Budget Committee ensures that procedures of budget re-allocation of funds and supplementary budgets are respected and that the necessary documents to facilitate this exercise are availed in time so that they can be examined.
- The Budget Committee ensures that allowances and delivery of services conform to the objectives of the budget and action plans in accordance with the law.
- The Budget Committee ensures that budgetary reductions are done correctly and entered in the books of accounts.
- After consulting the Executive Committee, the Executive Secretary nominates the administrator of petty cash. This is done in departments, which have such funds.
- The Executive Secretary facilitates the work of the internal Auditor with the objective of promoting operations and systems based on the cost-benefit/ value for money principles.
- The Executive Secretary requests the Internal Auditor to conduct special investigations when deemed necessary.

- The Executive Secretary ensures that those in charge of Political and Administrative affairs, heads of department and Accountants keep proper pay-lists of personnel.
- The Executive Secretary ensures that the recommendations of the Auditor General and the Internal Auditor are implemented.
- The Executive Secretary ensures that there is efficient management of Local Government property.

### **1.07. Heads of Department**

In terms of financial management, heads of department are charged with the following:

Each head of department:

- Works out annual and quarterly action plans and financial requisitions in time. These reports are submitted to the Executive Secretary to summarise and then forward them to the Executive Committee.
- Controls line budgets in his/her department by keeping a “Register” of all works, goods and services received and paid for by his/her department.
- Identifies and declares to the Executive Secretary domains to consider by Tender Committee by taking into account and verifying if the goods and stock requested are provided for in the budget.
- When a request is made, he/she gives technical orientations to the Tender Committee.
- Ensures safety of all departmental property in his /her responsibility and proper utilization of the departmental funds.
- Initiates budgetary re-allocation concerning his/her department. The head of department is assisted by the Accountant in the identification of pertinent budgetary lines which can be re-located

### **1.08. District or Town Revenue Officer**

The law requires that the District or Town tax collector should be responsible for tax collection and consequently assume the following functions:

- Ensuring the presence and the proper keeping of tax registers, labels (vignettes), receipts and licenses in the tax collection centers.
- Ensuring that there is a register for the receipts which are registered with serial numbers and codes.
- Ensuring that all funds collected are banked in time in the District or Town bank account.
- Supervising the work of tax collectors and providing a weekly situational report to the Executive Secretary.
- Ensuring that all the cash receipt books used are returned to the office of the Accountant and that the amount registered on the copies is the actual amount collected.
- The revenue officer gives to the Executive Secretary advice in regard to the collection of revenue.

### **1.09. Accountant**

The Law requires that the District or Town Accountant be responsible for the budget and expenditures and therefore assumes the following functions:

- Providing guidance to the Budget Monitoring Team.
- Ensuring that there is strict adherence to budgetary provisions during budget implementation.
- Making proposals for reallocation of bank transfers (virements) and supplementary estimates to the Vice Mayor in charge of finances who will in turn submit then to the Executive Committee.
- Maintaining data on the sources of revenue.
- Checking weekly the operations of the District or Town Revenue Officer.
- Keeping a list of suppliers approved by the Tender Committee.
- Providing safe custody of the local purchase order book and ensuring that it is only issued upon request by the head of department and on authorisation by the Executive Secretary.

- Ensuring that commitments arising from the local purchase order are reflected in the accounts of the District or Town.
- Making sure all procedures are strictly adhered to and ensuring that payment vouchers and the annexes are duly signed.

### **1.10. Internal Auditor**

The Internal Audit is a control mechanism whose objective is to ensure efficiency, and effectiveness in the management of resources in order to maximise their use and output in general.

#### **1.10.1 Roles of the Internal Auditor in Local Administration.**

The Internal Auditor plays the following functions.

- Determines if the systems of financial management and the established accounting procedures conform to the laws and regulations in use and evaluates their performance.
- Ensures that all the local administration revenue is received, registered and banked in a generally justifiable method conforming to the laws and existing regulations.
- Ensures that all materials supplied (Procurement), payments for goods, services and work requested, or received are examined and are done in a way prescribed by the Law or regulations.
- Ensures documents of Local Government Administration personnel are well kept and lists of salaries and other emoluments/remunerations are provided for in the supplementary or approved budget by the Council.
- Ensures the security of local administration property; i.e. that they are properly guarded and their utilization conforms to the laws and existing regulations. Ensures adherence to the rules and regulations of financial management, accounting practices and procedures;
- Evaluates the mechanism in place in relation to their efficiency and applicability. For example the ratio of personnel to offices available, purchases i.e quality and quantity, expenditures, thriftiness in the utilization of resources.
- Make special investigations on request by the Executive Secretary or the council.

### 1.10.2. Internal Auditor Reports

- The reports are submitted to the Executive Committee with a copy to the Executive Secretary who in turn submits them to District or Town Council.
- The District or Town Council in turn submits a copy of the report to the Prefect of the Province, Auditor General and Ministry having Local Administration in its attributions.

### 1.11. Prefect of the Province/Mayor of Kigali City

The Law concerning the organisation and functioning of District, in its section 128, 129, 144 determines responsibility of the Prefect of the Province as regards financial management.

- The Prefect of the ***Province*** receives from districts, under his jurisdiction, the following reports:
  - Minutes of District Council meetings
  - A copy of the Annual Budget
  - Minutes of Tender Committee meetings
  - Minutes of District or Town Recruitment Committee
  - Reports of the Internal Auditor
  - Reports of the annual financial situation
- If the Prefect finds that decisions taken are contrary to the existing laws, he advises the District or Town Council, in writing, to re-examine the decision, within a period not exceeding seven days. A copy is given to the Minister in charge of Local Administration.
- In the event that the District or Town Council maintains its decision, the Prefect of the Province asks the Mayor of the District to convene a meeting of the District Council in which he indicates to them how the decision taken violates the existing law or procedures. In the case of disagreement, the Prefect makes a written report to the Minister having Local Administration in area of his jurisdiction who will take a decision within a time limit of ten (10) days from the time of receiving the report. At the end of the deadline, silence will imply acceptance of the decision.

### 1.12. The Ministry in charge of Local Administration

- The Ministry in charge of Local Administration ensures good management of District or Town resources by canceling District or Town financial decisions which are taken outside their competence or are irregular in nature.
- The Ministry charged with Local Administration organises training for Local Governments on financial issues and their roles and responsibility.

- The Ministry having Local Administration within its attributions verifies and guides the performance of the donor community and NGOs in financial matters.

### **1.13. The Ministry in charge of finances**

- It guides local administration in what concerns setting of local taxes. This should be done in collaboration with the Ministry charged with Local Administration.
- It provides the necessary information in time to facilitate budgeting by local governments.
- It ensures transfer of funds from Central Government to local Governments, in collaboration with the Ministry charged with Local Administration.

### **1.14 The Auditor General of state Finances**

- In conformity with the Law n° 05/98 of June 1998, the Office of the Auditor General of state Finances audits the books of local governments.
- The Auditor General receives and examines quarterly reports from local governments.

### **1.15. Parliamentary Commission in charge of Budget and state property**

- The Parliamentary Commission in charge of Budget and state property was created by law in 1998 regarding respect of internal rules and procedures of the Transitional National Assembly, article 33. It analyses reports presented to it by the Auditor General and can request the Minister in charge of Local Administration or the Mayor of a District/Urban entity to appear before the Commission when it deems it necessary.
- The Parliamentary Commission in charge of Budget and state property then refers this responsibility to Parliament.
- The Parliamentary Commission in charge of Budget and state property can recommend that measures be taken to rectify poor financial management revealed.

### **1.16. Donor Community and NGOs.**

The management of funds from donor agencies shall be expressed in the agreements between the parties concerned; these could be local governments, Central Government and the donor agencies/NGOs in question.

## **2. BUDGET MANAGEMENT SYSTEM.**

### **2.0. Introduction.**

A budget is a declaration of a detailed program for the mobilisation and utilisation of anticipated resources in the course of the budgetary exercise or in a well determined period.

For the purpose of budgetary exercise, this period is between 01 January and 31 December.

- Rwanda Local Governments classify funds they receive in three major groups:
  - Ordinary budget or recurrent budget : utilized in ordinary activities of local administration for reasons like salaries, office furniture etc.
  - Development Budget : Utilised for capital investment and infrastructure (investments like equipment and roads)
  - Special budget : utilized in special circumstances.
- Each budget consists of income and expenditure which should be balanced.
- The surplus on ordinary budget is re-allocated to development budget expenses.
- The District or Town budget should reflect national and local priorities as underlined in the District Town plans.
- The Local Administration budget should reflect the income and expenditures of the fiscal exercise.
- Copies of the budget are sent to the Prefect (or City mayor for Urban Councils in the City of Kigali); Ministers having local Administration and Finance in their attributions and to the Auditor General.

### **2.01. Establishing of Priorities.**

- The CDC of Sectors assemble priorities submitted to them by Cell CDCs.
- The CDC of Sectors identify and propose sources of funds to finance the Sector development budget.
- The Sector submits consolidated priorities to District Development Committee through the Sector Co-coordinator who in turn transmits them to the Budget Committee to sort out priorities of all District Sectors.

- The Budget Committee composed of the Executive Secretary, Accountants and Heads of Department analyse the priorities and puts the proposals in Proper order before submitting them to the District Development Committee (DDC).
- Articles 82 of the Law Governing the District and 81 of the Law Governing Towns respectively determine the responsibilities of District or Town Development Committee. One of their roles is to prepare a draft development budget for the District. The DDC determines the anticipated revenue and consequently the budget. The Sectoral items shall be determined according to priorities established by the Council.
- Commitments by the donor community shall be an integral part of the anticipated revenue and shall be examined so as to be incorporated in the budget.

## **2.02 Budgeting approaches and procedures.**

- After the determination of priorities across the lower levels of CDC, there will be a roundtable conference to debate on the budget and draw up list of priorities in a chronological order.
- The roundtable conference on the budget is organized by the Executive Committee and by Sector coordinators, members of DDC, Heads of Department at District level, representatives of donor community and NGOs (if need be, those who operate or have development programs in the district). The Executive Committee gives Sectoral and National priorities of the Government.
- The Performance of the current year in terms of resource mobilization is revealed giving explanations on the nature of performance concerning the income and expenditure.
- The District tax collector up-dates the register of taxpayers or enrolment registers to give to the Budget Committee a picture of actual revenue which the District could receive in the course of the budgetary exercise.
- The Sectoral priorities are taken by the Economic Commissions of the District Council under the leadership of the Executive Secretary and are incorporated into the programs, the sub-programs and then catalogued in the anticipated results and the necessary activities to attain these results.  
The necessary inputs are identified and estimates made in terms of cost.
- A technical review of sectoral priorities resulting from the roundtable debate on the budget estimates in terms of established cost, the link and the coherence with the policy and resources available is undertaken. This is the responsibility of the Budget Committee, which revises the activities, necessary inputs and their cost.

- The budget proposals are presented to the District Council and approved in conformity with the Law. Although the presentation of the budget is the responsibility of the Executive Committee, the motion concerning the examination and adoption of budgetary estimates is presented by the Vice Mayor in charge of Finances, and economic development at local government level.
- A copy of the budget is sent to the Prefect of the Province or Mayor City of Kigali (in case of Kigali City Districts) within seven days following its approval by the District Council. The Prefect Mayor is expected to give his observations within seven days.
- The Law requires that the budget should be approved latest 15 December. When this requirement is not fulfilled, the Law on Districts or Towns allows the Mayor to authorize expenditure each month the equivalent of a twelfth of the total budget under review. This is done in consultation with the Executive Committee. The report concerning the expenditure incurred during this period is given to the Council during its subsequent ordinary meeting or at the time of examining budgetary estimates.

### **2.03. Budget Re-allocation.**

- When a department exhausts a budget allocated to certain items of its program or sub-program, the Head of Department makes a request to the Executive Secretary for funding priority component. The Accountant gives advice on what can be reallocated from one program to another and h/she makes a report to the District Council through the Executive Committee.  
The District Council examines the request and consequently approves it. It has to be noted that such transfer of funds is done within programs.

### **2.4. Re-allocation of budgetary Lines.**

- The re-allocation of budgetary Lines is done within a program. When approved funds for one of the items are exhausted and there exists necessity for supplementary finances, the Head of Department makes proposals on items from which funds can eventually be re-allocated. These items can never include those of salaries. The approval of this re-allocation is the preserve of the Executive Committee and it does it in consultation with the Council during its ordinary meeting.

### **2.05. Supplementary Budget.**

- In the middle of the budgetary exercise, there may be new funding provided by the Central Government through delegation and decentralization of more resources and responsibilities. These supplementary finances can also come from the donor community or NGOs negotiated in the middle of a financial year. It is necessary to incorporate these new arrangements into the budget and consequently the District

Council approves these arrangements as supplementary estimates. The budget Committee will prepare documents which the Executive Committee will forward to the District Council. The presentation of the supplementary budget to the Council will be done by the Executive Committee.

## **2.6. The Budget format “MTEF format”.**

The budget will consist of the following three sections:

### **2.6.1 The Preamble.**

The budget is preceded by a preamble which is a description of sectoral priorities and the District financial situation which briefly indicates anticipated revenue for the following year and align range it to the expenditure domains.

The Preamble consists of:

- **Analysis of the performance of the previous year.**
  - Budget and achievements of the previous year.
  - Challenges and proposed ways of addressing them.
  - Outstanding obligations and ways of overcoming them.
- **Priorities on which the new budget should put emphasis:**
  - New budgetary items both in revenue and expenditure
  - An overview of expenditure items clustered under:
    - Salaries and staff.
    - Emoluments for Councilors and standing Committees.
    - Operational funds for departments.
    - Capital and major recurrent expenditures.

### **2.6.2 Budget Body .**

- The main body of the budget will have details of revenue and expenditure, showing the true performance of the previous year and estimates for the current year, results expected and then the main body which contains estimates for the following year.
- The budget is subdivide into programs, sub-programs and items. The items shall be derived from the expected outputs and activities of the programs.

- The revenue and expenditure codes of these programs, sub-programs and items will be provided by the Ministry charged with finances in collaboration with the Ministry charged with Local administration. They shall be strictly adhered to as they will be reflected in the budget implementation, and in all expenditure documents.

### **2.6.3 Explanatory notes.**

- The budget will have explanatory notes for the areas and items that require such explanations.

## **3. REVENUE MANAGEMENT.**

### **3.0. Introduction.**

The budget will determine the expected revenue, both the locally generated revenue and the transfers from the Central Government and the Donor/NGOs support.

#### **3.01. Local Government revenue Sources:**

The Local Government have three major sources of revenue/funding:

- Actual District revenue-locally generated;
- Government Subsidies;
- Donor Community and NGOs.

#### **a) Locally Generated revenue:**

- District or Town taxes;
- Revenue from registrations charged by the District or Town;
- Revenue from movable and immovable property;
- Revenue from dividends accruing from investments by the District or Town;
- Revenue from fines;
- Loans;
- Subsidies from the state;
- Justice and proportional rights fees as determined by lower District courts (canton);
- Revenue from services given by the District or Town;
- Grants and donations.

**b) Government subsidies/Transfers:**

- i. Unconditional grants/subsidies;
- ii. Conditional grants/subsidies;
- iii. Equalising funds /grants;
- iv. Delegated funds/grants.

**c) Donor Community and the NGOs:**

- i. The unconditional funding where the donor or NGO will provide financial support to the Local Administration without specifying the areas of expenditure.
- ii. Conditional funding whereby there will be a specified project to be carried out and the administration will perform the agency role.
- iii. A specific function which requires the administration neither to utilise funds nor implement a program but will all the same be considered as assistance to the Local Government.

**3.02. Revenue collection at the Local Level**

The District or Town Council shall determine the rate of taxation for each tax in conformity with legal provisions of the time.

The revenue officer is charged with collection of District or Town revenue and to pursue their recovery.

Documents used in the collection of funds are authorised by the Provincial or City of Kigali, Executive Secretary and are requisitioned by the Executive Secretary of District or Town. Before delivery to the District or Town a seal is affixed on each page and its copy. This is done on all documents.

The District or Town revenue officer provides the tax collector with necessary documents to facilitate collection of tax and fees. Those include:

- Receipt books
- Registration stickers/ “Vignettes” for the right trade

The receipt books and vignettes are filled in triplicate with serial numbers in increasing order. The originals are given to the tax payer, a duplicate is reserved in the accounts section and the triplicate is kept by the revenue official in the receipt book.

The revenue official establishes a pre-numbered form for daily revenue collection. A sample is found in the annex. This form is made in triplicate, the original is given to

the payer, a copy is given to the accounts section and the other is kept by the revenue officer in the receipt book.

The revenue office keeps a pre-numbered register of reconciliation of delivery of collected revenue in triplicate and distributed as said in the above paragraph.

The revenue officer centralizes the two preceding registers for the whole District or Town by type of revenue and by sector.

The revenue officer keeps a current account card for each payer which he updates each time there is a transaction of debit or credit on that account.

- The revenue officer makes a performance report illustrating the degree of achievement vis-à-vis the projections by type of revenue and sector following the format in the annex.
- The tax collector produces a report on the District or Town revenue situation which gives taxes due, what has been spent and the balance. This is clear in the format annexed.
- In ten days which follow the month-end, the Mayor of District or Town addresses the monthly report of performance (realization/projections) to the Prefect of Province with a copy to the Minister having Local Administrations in his attributions and to the tax services of Rwanda Revenue Authority.
- The District or Town Mayor informs the tax services in his/her area of jurisdiction of all new payers and all who have dropped out of the tax register of his/her administrative entity.

### **3.03. Collecting Process of local taxes.**

- On receipt of the money from the payer, the tax collector issues a receipt.
- Direct payments of District or Town revenue into bank accounts are acknowledged by a receipt issued by the tax collector.
- Enter into the tax register against the name of the tax payer the following information:
  - The date of payment;
  - The amount paid and type of revenue;
  - The serial number of the tax ticket issued.
- At the end of the day, the tax collector will make entries into the cash book (copy book).

- He/she proceeds to bank the money or takes it to the cashier at the District headquarters.
- If the tax collector banks the money he/she will take the original bank slip to the District cashier and keep a copy for his/her file.
- The Cashier will acknowledge receipt by signing in the collectors cash book. He/She will also stamp and sign the copy of the slip retained by the tax collector.
- If the tax collector delivers cash to the District or Town cashier, the money will be receipted by the cashier who will in turn issue a receipt to the collector and promptly bank the money and make entries into his/her cash book, on daily basis.
- A cheque payable to the Administration should be crossed, certified and written on "Pay to .....District/Town".
- In this case the receipt issued will quote the cheque number and address of the tax payer. Behind the cheque shall be written the receipt number before banking.
- In case of surplus that cannot be accounted for, a receipt will be issued by the Cashier in the name of the revenue collector who delivered the funds. The funds shall however, be regarded as an income for Local Administration.
- In case of deficit, not accounted for, the tax collector will be required to settle the difference, and if not personally liable, a report shall be provided to the Accountant, who after examining the case makes a report to the Executive Secretary for consideration. The latter forwards the matter to the Executive latter Committee to take appropriate action.
- If the loss is incumbent on the cashier, he/She has to settle the loss from his/her personal funds.
- It is the duty of the revenue collector to provide safety and proper use of all accountable stationery in his/her possession. This includes used and unused stationery, as it will be required for accountability especially in times of audit.

### **3.04. Central government transfers.**

There exists three types of Central Government transfers :

#### **i. Unconditional subsidies/grants.**

- These will be treated as part of the revenue of Local Government that will be part of the Local Government general fund account and shall be expended according to the local government priorities. The funds will be distributed to various programs under different codes.
- The accountability of these funds shall be provided as part of the monthly, quarterly and annual modes of accountability.

#### **ii. The Conditional grants**

- These funds shall have their budget appended to the main budget under the specific codes that they are to address according to instructions from the center and agreed upon with the Local Government.
- There will be a separate bank account for such funds and the signatories to those accounts shall be agreed upon with the Central Government. The financial controller and the Executive Secretary however will be signatories in addition to others that may be assigned.
- There will therefore be different books of accounts to be operated for each of the accounts operated under conditional grants.
- The mode of accountability shall be defined by Central Government in consultation with the Local Government as described in Chapter 8.0 of this manual.

#### **iii. Equalization grant.**

- Equalization grants shall be provided by government to the local governments according to the formula designed by Central Government. The management of these funds shall also be accordingly defined. The mode shall however conform to the normal accounting principles.

#### **iv. Delegated funds.**

The line Ministry shall define the mode of operation of these funds. There shall be a separate bank account for them.

### **3.05 Donor funds.**

#### **i. The unconditional funds.**

- Donor unconditional grants shall be treated similar to the Central government unconditional funds and shall therefore be integrated into the general fund and used according to the priorities of the local government. The report on utilization of the funds shall be provided to the donor and Central Government.
- The justification of these funds will be part of the monthly, quarterly and annual justification.

#### **ii. Conditional funds.**

The Donor shall agree with the Local Government and in consultation with the Central Government, on how the funds shall be managed.

- The funds shall be expended on the programs agreed upon with the donor.
- Such funds shall be reflected as income to the district and shall be reflected in the appended budget.
- A separate bank account will therefore be opened for unconditional funds and separate books of accounts shall be operated.
- The agreement will specify the mode of accountability.

### **3.06 Loans.**

- Loans can only be secured with the approval of the District Council and the eventual certification by the Prefect of Province as required by Articles 144 of the District Law, and 20 of the Urban Law.
- Such commitments shall be undertaken after the District Council is satisfied the servicing of such loans shall not interfere with its capacity to undertake its obligations like salary payments for its employees.
- The loans secured must be for capital development.
- The loan will be in a separate bank account and separate books of accounts shall be operated.

**3.07 Overdrafts.**

- Overdrafts shall only be procured after the authority of the District Council has been sought. No local government account shall be overdrawn without such authority.

- **3.08 Investments:**

- The local Council may engage in investments only when approved by the Council.
- A bank account and a ledger account shall be opened for each investment undertaken.
- These ledgers shall be updated annually to reflect the standing value of the investment.

**3.09 Fixed Deposits.**

- When the Budget Monitoring Team notices a realization of a surplus that exceeds the amount of money required in a particular time, they may advise the Executive Committee to invest the money as a fixed deposit. A fixed deposit account will be operated for a short period. Like investments and loans, a separate ledger account will be kept. Interests from the deposits will be an income to the Administration.

## **4. PROCUREMENT / TENDERING PROCEDURES.**

### **4.0. Introduction.**

The District Council shall approve the Work-plans and budgets that will determine the activities to be carried out. The Commissions with technical advice from the Heads of Departments, will then design the sectoral priorities. It is from these sectoral priorities that the Heads of Department draw their action plans and make requisitions to the Executive Secretary for the goods, services and works to be procured. There shall be a Tender Committee for the District and Urban Councils, established by law.

### **4.1. Preparation for tender advertisement.**

- (a) The Head of department shall be required to determine the content of the tender by providing the relevant descriptive and technical nature of the tender, and manner in which it should be supplied/provided.

For development projects in the District/Urban entity, the content of the tender shall be determined by the Head of Department concerned in collaboration with two members of CDC sub-committees who shall be a part of the technical team to advise the District Tender Board Committee on tender awards.

The Head of Department will then submit this to the Executive Secretary who is also the Secretary to the Tender Board. The Executive Secretary will, however, satisfy himself/ herself that the request is in pursuit of the objectives of the Council, the approved work-plan and the approved budget.

### **4.2. Advertisement for Tender.**

- (b) The Secretary of the Tender Board will then in consultation with the Chairman of the Tender Committee, ensure the advertisements are placed in the public media as well as the public notice boards. Copies of the advertisements shall be availed to the Province, National Tender Board and Ministry charged with Local Administration for information.
- ( c ) The design of the advertisement shall have been agreed upon by the Head of Department and the Executive Secretary.

The advertisement should specify the nature of goods, service and works required, the time schedule, the date and time when the tender receipts will be closed and the address where the tender should be directed to the advertisement will be signed by the Secretary to the Tender Board.

Tender documents shall furnish information necessary for a prospective bidder to prepare a bid for the goods and works provided. While the details and complexity

of these documents may vary with the size and nature of the proposed bid package and contract, they generally include:

Invitation to bid; form of bid; form of contract; conditions of contract both general and specific, specifications; list of goods or bills of quantities; delivery time or schedule of completion.

#### **4.3 Submission of the tender applications.**

Each tender shall be submitted in a plain sealed envelope or packet, as the nature of the tender shall determine. The envelope shall be addressed to the Secretary to the Committee and should be marked “tender for ...” followed by a short description of works, supplies, goods and services the tender is about.

- a) After scrutinizing the tender application, the Executive Secretary submits it to the Tender Committee for no objection comment. The Tender Committee should give an answer in a period not exceeding one week. If this deadline is over the District Executive takes it that the tender application has been approved and proceeds to offer the tender.
- b) On the envelope there should be no sender’s name and identity indicated otherwise it would not be considered.
- c) The secretary of the Tender Committee will open a book for registration of the tenders on receipt.
- d) The tenders shall be locked up in a container marked “ Tender/Quotations for...” with dates when tenders were invited, closing dates and time for submission.
- e) The tenders will be sealed on the closing day and time.
- f) No tenders may be entertained thereafter.

#### **Withdraw of tender.**

A tender may be withdrawn before the closing date. The withdrawal method will be like that used for submission except the envelope will be marked on top “Withdrawal” This envelope cancels and replaces the first.

#### **4.4. OPENING OF TENDERS/QUOTATIONS.**

- a) The Tender Committee shall conduct the opening of the tenders and the ad-hoc minutes sent to the National Tender Board within a week.
- b) It is recommended that the date for closing should also be the date for opening.
- c) The closing should thus be in the early hours of the day and shortly thereafter the opening should start.
- d) This information should be provided at the Tender notice board, so as to invite the tenderers to witness the opening.

#### **4.5. EVALUATION OF TENDERS/QUOTATIONS.**

Evaluation of tenders is done by the District or Town Tender Board Committee plus the in-charge of the department concerned.

For offers which require technical expertise which members of the Committee lack, the committee can co-opt an expert in that field in writing. The selection of this expert must be approved by the District or Town Executive Committee.

#### **4.5.1 Criteria used in Evaluation of tender quotations**

- **Evaluation of technical Bids.**

The evaluation shall be based on the terms of the bid document and shall refer to the following aspects:

- Qualification, experience, reputation, responsibility and professional competence and managerial experience of the supplier/ tenderer supposed to deliver the services.
- Efficiency of bids (tenders) submitted by the supplier/contracting party to conform to the requirements of the awarding body.
- Degree of participation of the consultant in economic development potential contributed by the tenderer including national investment and other economic activities, creation of employment, technology transfer in managerial development, operational capacity, scientific, and commercial opportunity brought by the supplier and contracting party.

- **Evaluation of financial Bids.**

- At the end of the evaluation, the cost should take into account all Laws applied in Rwanda and all other refundable expenditures like transport allowance, translation fees, printing of reports and secretarial services.
- Bids given the least cost are given a score of 100 points while other bids are given financial scores inversely proportional to their price.

#### **4.6. Acceptance of Tender.**

The Tender Committee does not necessarily accept the lowest or best bidder but shall give reasons to justify its choice and such reasons are recorded in the minutes. Such reasons however may include better quality, quicker delivery based on professional advice from the evaluation committee.

**A tender or quotation may be accepted if :**

- i. The sum reflected is within the approved estimate.
- ii. It is the lowest evaluated tender where payment is to be made by the District to purchase works, goods and service or the highest where payment is to be made to the District like in rents.
- iii. The Tender Board will ensure that where applicable the Tenderer shall have a bank account and a tax-clearance certificate.
- iv. The person in charge of tenders at District Level keeps records of the procurement proceedings containing a minimum of the following information:
  - The bidding documents;
  - A brief description of the goods, construction or services to be procured;
  - The names and addresses of the bidders that submitted the bids, and the name and addresses of the bidder with whom the procurement contract is entered into and the contract price;
  - Information related to the qualification, or lack there of, of suppliers or contractors that submitted the bids;
  - A summary of evaluation and comparison of bids;
  - If all bids were rejected;
  - Rejection of a bid due to corruption or fraud.
- v. Such record of proceedings shall on request be availed to any interested party. No information on bids evaluation shall be disclosed before the conclusion of the tendering proceedings.
- vi. Bidders' grievances about tender procedures and awards shall be channeled to District/Urban Council for consideration. Any bidder not satisfied with the Council's decision may appeal to a court of law for intervention.

#### **4.07. LIMITTION OF THE DISTRICT OR URBAN TENDER COMITTEE.**

- Tenders that have a value beyond three million Frw threshold shall be awarded after being given a go ahead by the National Tender Board Committee.
- Tenders whose value is between 3.000.000Frw and 500.000 Frw shall be awarded through the Tender committee.
- Tenders whose value is between 500.000 Frw and 20.000 Frw shall require no less than three pro-forma invoices from the bidder accepted by the District or Urban Executive Committee.
- Tender of values less than 20.000 Frw can be given on mutual agreement after approval by the Relevant authorities of the District or Urban Administration.

#### **4.08. Disclosure of Tender Results.**

- Notice shall be given to the tenderer whose bid or quotation has been accepted.
- For purposes of transparency it may be necessary to provide all the tender applicants, a list of firms which tendered, but were not successful.

#### **4.09. Report on the awarding of Tender.**

All tender Committee meetings shall have minutes of which a copy is given to:

- The District or Town Mayor;
- Internal Auditor;
- The Prefect of the Province for tenders above 500.000Frw;
- National Tender Board Committee for tenders above 3.000.000Frw.

#### **4.10 Contracts.**

All contracts are initiated by the President and the Secretary to the Tender Committee and signed by the District Mayor for work done and services rendered. The contracts shall be managed as follows:

##### **(a) Contracts register.**

There will be a contracts register maintained by the Accountant. The contract register will have details of contracts awarded, their performance status and payments made so. A contract that includes supply of materials, will require a Local Purchase Order as well to be issued to the contracting party.

##### **(b) Contract certificate.**

Contracts which are phased, and payments also phased i.e to be paid in installments according to work schedule and amount of work done, will require the preparation of contract certificates prepared by a competent person showing the amount of work done and its worth. This certificate must be signed by the Head of Department who has received the work and countersigned by the District or Town Mayor.

#### **4.11. Instituting a purchase order.**

- A purchase order is pre-numbered and in triplicate:
  - The original and a copy are sent to the tenderer or supplier.
  - A copy will be retained in the Finance Department for filing.
- An order which has not been honoured must be cancelled.
- Expenditures on water, electricity, telephone bills which result from commitments of which financial implications cannot be determined until services have been rendered, are committed at the moment they are ascertained and payments done on the basis of supporting documents.

## **5. EXPENDITURE/PAYMENTS MANAGEMENT.**

### **5. O. Principles**

- a) The expenditure items shall be clearly indicated in the budget under the programs, sub-programs and item codes.
- b) The Executive Secretary and the Accountants are signatories to all documents related to expenditure.
- c) The Executive Secretary, after the approval of the Executive Committee, will appoint vote controllers who will be Heads of Department accountable for their Departments expenditure.
- d) The accountant will issue a department warrant to each department. The department warrant will reflect the budgetary provisions under various items of the department. A department warrant sample is shown in figure 3.
- e) The reflections of the department warrant will be entered into the vote-book of the department.
- f) The Heads of Department will initiate the expenditure.

### **5.01 Expenditure Procedure.**

#### **(a) Expenditure Commitments.**

Expenditure commitments are done in respect to the process of awarding of District tenders.

#### **(b) Recording of Expenditures.**

- Recording of Expenditure shall be done when goods and/or services requested have been delivered.
- Delivery of goods is accompanied by delivery vouchers, definitive receipts and the original order voucher.
- Taking delivery of goods and/or services follows the following procedures:

The vote controller (Head of Department) must authenticate the voucher, to show that the claim is genuine by affirming that:

- The goods /services have been delivered in good condition.
- The services and amount of money is provided for in the budget.
- The department warrant can accommodate the funds reflected in the voucher.
- The particulars in the voucher have been entered into the vote book, and necessary adjustments have been made in the vote book.

The Head of Department concerned by the order ascertains the quality of goods and services and so does the in-charge of procurements.

The storekeeper confirms that the goods are received in the stores.

The financial controller signs to confirm the above contents by doing the following:

- Check the attached documents e.g receipts and ensure that they are in consonance with the claim. If it is a contract, the Head of Department will ensure that there is a certificate of performance, invoice and goods received note.
- Check on the authorization;
- Check on the correctness of entries in voucher and vote book;
- Confirm money is available;

The amount to be paid is determined conforming to the supply results and takes into consideration the advances and services obtained.

The Accountant, basing on the payment voucher, reaffirms that all the procedures are correct, that all cited authorities, and the amount paid are certified. The Executive Secretary makes sure the Head of Department and the Accountant sign the payment vouchers and that all annexes are in order and certified.

- The Executive Secretary then authorizes payment or preparation of cheque for payment.
- The original and the duplicate of vouchers are given to the Accountant for consideration and the triplicate is kept by the department which initiated the expenditure.

### **c) Payment Procedures .**

Goods and Services having a value equal to or below 20.000Frw are paid from the petty Cash Case where such funds are available. Whereas the expenditure above 20.000Frw is paid by cheque or payment voucher.

Expenditures are made by use of payment vouchers. The vouchers shall contain the following information.

- Applicant;
  - Beneficiary;
  - Amount requested;
  - Motive;
  - Budget Line;
  - Opinion of the Head of Department;
  - Opinion of the Accounting officer;
  - Opinion of the Executive Secretary;
  - Mayors approval;
  - Signature for payment
- (A sample is given in figure 10);

#### **• Payment by cheques.**

##### **(a) Issuing cheques.**

- Any amount above 1.00.000Frw must be paid by crossed cheque except procurement cheques for District items. Cheques must be issued against payment vouchers that have already been approved for payment.
- The Accountant will ensure that the cheque number has been entered into the voucher.
- Other signatories for imprest accounts, shall be appointed in writing by the District Mayor in consultation with the Executive Committee.

##### **(b) Receipt of cheque or cash.**

- The recipient and the paying officer shall sign the voucher.
- The paying officer will ensure that the authorized recipient is the one that is signing. Any other person shall have been authorized in writing by the would-be recipient. If the money is for salary of employees on a pay roll, then the signatories will be on an attached pay sheet or a recognized financial document.
- After payment, the paying officer will stamp on the voucher and any other attachments with the date-stamp marked 'PAID.'

- The original voucher shall be part of accountability for posting the abstracts and ledgers.
  - The duplicate Payment Vouchers with supporting documents will be filed for audit purposes.
  - The triplicate voucher will be given to the payee.

### **Dishonored cheques.**

- If the bank dishonours a cheque paid to the Local Government, the accountant must immediately bring it to the attention of the Accounting Officer and the Internal Auditor.
- The Accountion Officer shall provide such information to the Criminal Investigating Department of the Police.
- A payment voucher will be prepared for the dishonored cheques «Dishonored cheque suspense» and payments entered into the cashbook. The entry will be ticked off against the bank statement.
- The issuing person will then be contacted immediately. When the person makes good the dishonored cheque, a Revenue Voucher will be prepared to credit the Dishonored cheque suspense account.
- No post-dated cheque shall be received by the Local Government except in cases of spread out payments based on agreement between the taxpayer and the Executive Secretary.

### **5.02 Security measures for accounts documents**

It is the duty of the Accountant to ensure that security features are provided in accounts stationery. Such features should be applicable in times of accountability. Accounts stationery should therefore bear the following features:

- Counterfoils;
- Carbonized (Triplicate or quadruplicate);
- Serialized tickets shall have their numbers entered into the revenue registers and cashbook. The revenue collector will ensure that the tickets are expended with ascending numbers without skipping a number;
- Ensure the books are used up before using another;
- Provide any other security marks that are necessary.

### **Safe custody.**

Every officer is charged with the responsibility of ensuring that the accounts stationery provided to him or her is securely kept. This includes both used and unused. Such safety may be provided in a strong room, a safe or a cash box.

**Filling in accounts stationery.**

Any cancelled receipts should be done with double lines and marked “cancelled” then placed back to the receipt book. This must be entered into the cash-book.

**Loss of stationery.**

Loss of accounts stationery must be reported to the Executive Secretary with copies to the accountant and the Internal Auditor. The Executive Secretary will immediately publicize the facts about the loss and alert the public to be aware of any fraudulent transactions. The Executive Secretary will cause the same report to be provided to the Executive Committee.

The Executive Committee will then make a report to the CID and the Internal Auditor to proceed with investigations. When the report is made to the Executive Secretary, he/she will avail it to the Accountant who will proceed to provide the responsible Officer with the necessary recommendations. If a payer loses a ticket, a certified copy, with a fee levied, will be given to him/her. No new ticket will be issued.

Replacement of accounts stationery will be done after the Accountant and Internal Auditor are satisfied that the previous receipts have been properly disposed of.

**Transfers of stationery.**

Transfers of accounts stationery are not permissible. All consultations should be made on the spot.

**5.03 Banking.**

The opening of bank accounts must be authorized by the Council as provided under Article 132 of the District Law and 111 of the Urban Law.

All administration funds must be promptly banked. The Accountant will make a bank printout for the attention of the District Treasurer showing frequency of banking or taking cash to the cashier or bank.

## **6. MANAGEMENT OF LOCAL ADMINISTRATION PROPERTY.**

### **6.01 Fixed Assets.**

- All acquisition of fixed assets is subject to the same procurement procedures listed under the chapter of “tender awarding”.
- After all the tender awarding procedures have been done, an order voucher is written in the name of selected bidder. On delivery, the department proceeds to receive the goods in the name of the institution.
- The accountant makes a register of all assets containing the following details:
  - Description of asset;
  - Serial number or model;
  - Date of acquisition;
  - Location and physical state of the asset;
  - Cost in Rwanda Francs;
  - Internal reference number;
  - Annual depreciation rate;
  - Depreciation for that year;
  - Accumulated depreciation;
  - Net calculable value.

All fixed assets are marked clearly indicating identifications and serial number (where possible).

- Disposal of public administration assets is done in conformity with existing rules and regulations.
- Annual and periodic physical checking is done, results of which are compared with those in the registry of assets. The Accountant updates the register of assets following changes which have taken place.
- The Executive Secretary organizes annual physical inventory of fixed assets. It is the responsibility of the Accountant to reconcile the register of fixed assets with the results of the physical inventory. All unexplained differences are brought to the attention of the Executive Secretary and Executive Committee who take appropriate action.
- It is the responsibility of the Executive Secretary to monitor maintenance and conservation of office materials. Any alteration of equipment is reported to him by the users.
- All those in charge of public assets take care of them in an appropriate manner. Theft or loss of assets is reported to the Executive Secretary. He makes

investigations and communicates them to the Executive Committee who take appropriate action.

- **Insurance.**

- Local Administration shall have appropriate insurance policies for its assets. The Executive Secretary is responsible for this exercise.
- Buying/transfer of vehicles is, at the material time, added/removed from registry of assets and/ or the list of insured assets.

- **Capitalisation.**

- Assets having a value below 25.000Frw are not included in the registry of assets. The Executive Secretary informs the Heads of Departments by use of an internal memorandum of the presence of fixed assets in their departments.
- A List of assets of no capital value is made for all goods worth less than 25.000Frw which by their nature will serve the institution for more than one year. Such is the case for things like staples, perforator, pocket calculator etc.

### **Movement of Assets.**

There must /inevitably be movement of assets from one place to another or from one department to another, sometimes for administrative reasons, permanent transfer could be another reason.

- Such transfers are well co-coordinated and authorized by the Executive Secretary.
- For each movement of public assets, asset transfer forms must be filled.

### **Depreciation of fixed Assets.**

Asset depreciation allowances are established following straight line depreciation method conforming to definite rates as defined in the Law.

<b>Depreciable Asset</b>	<b>Time</b>	<b>Rate</b>
Buildings	20 years	5%
Computer materials	3 years	33.33%
Office materials	5 years	20%
Vehicles	5 years	20%
Furniture	10 years	10%
Fittings and installations	10 years	10%

## **6.02. Management of Buildings.**

- Local Administration avails administration and residential buildings to accommodate and lodge some of its staff respectively.
- The District Council is charged with all the management of all buildings of the Local Administration.
- The District Council must have a register of all buildings of the Local Administration which contains the following details:
  - Description of the house;
  - Number of the plot;
  - Date acquired;
  - Location and physical state of the house;
  - Department or officer who is occupying the house;
  - Cost in Rwanda Francs;
  - Number of reference;
  - Annual depreciation rate;
  - Depreciation of the year;
  - Accumulated depreciation;
  - Calculable net value.
- Depending on availability, the Local Administration can give accommodation to its staff in a particular department for reasons linked to specific problems.
- In decreasing order, allocation of accommodation will be based on the following criteria;
  - 1) Grade/function;
  - 2) Departmental constraints.
- Before occupying the house the Officer allocated accommodation countersigns a contract established and signed by the Mayor.
- The beneficiary of the house contributes to the maintenance and depreciation of the house on monthly basis to the tune of the amount fixed by the District Council. The amount is retained at the source where the officer in question is paid.
- The District Council is assisted in the following essential mission by the District Recruitment Commission:
  - 1) Study all problems concerning accommodation in general and look for possible solutions to the concerned Ministry.
  - 2) Give opinion on the amount of money for accommodation to be deducted from salaries.

- 3) Give opinion on disciplinary measures to be taken against officers who damage accommodation given to them by Making unauthorized alterations.
- 4) Study all questions concerning the accommodation submitted to it by the District council.

### **6.03 Stock management.**

- All purchases are made according to the needs of the Local Administration and approved budget. Purchase procedures defined under the chapter relating to the awarding of tender in this manual are applied without exception.
- Stock registers (annex 8) are kept to register movement of goods. They are updated regularly by the storekeeper and contain the following information:
  - Date acquired;
  - Description of goods;
  - Number of reception voucher;
  - Number of order voucher;
  - Name of supplier;
  - Quantity received and given out;
  - Stock balance;
  - Departments using the goods;
  - Value of items in stock.
- The storekeeper receives all the items purchased by the institution and:
  - Examines them to ensure that they correspond to the description established on order form.
  - Make a count to ascertain the quantity.
  - Compare the price on the receipt on delivery note with that indicated on the order voucher.
  - Sign the delivery note for quantity received and a reserve note for any eventual anomaly on the question of quality.
  - Any outstanding anomaly is addressed to the Executive Secretary who takes appropriate action.
  - The Accountant makes a follow-up with the supplier to rectify the situation.
- If goods are damaged or honored services are below required level, the goods/services are rejected and the supplier is notified immediately. All the rejected goods are returned to the supplier in the same condition received.
- Issuing of stock is done by means of an issue voucher (annex 10) given by the Head of Department in which the recipient works, verified by the Accountant and approved by the Executive Secretary. The person receiving items from the store

signs for them on the requisition voucher. The storekeeper uses the requisition voucher to update the store register or bin card.

- At the end of each month, a report on stock is prepared by the storekeeper and submitted to the accounts for checking.
- At the end of each quarter and at the end of the year, the Executive Secretary makes an inventory of the stock. All variation gaps must be justified.
- All damaged, obsolete and unusable stock is listed termly and the list submitted to the Executive Committee for disposal approval. The method of disposal is determined by an internal supplies commission.

#### **6.04. Management of vehicles.**

- Local Administration vehicles are used solely during office hours and are driven by drivers employed for this purpose.
- After office hours, they are parked in the institution-parking yard not later than 19h30 except in the case when there is authorization from competent authorities.
- It is the responsibility of the driver in charge of a vehicle to make sure it is clean. It is strictly prohibited to transport un authorised persons in a public vehicle.
- The Head of Logistics assigns each vehicle a particular driver. The driver identifies problems, which necessitate repairs. He is also responsible for all abuses occasioned during the use of the vehicle.
- Nobody is allowed to drive a department vehicle without authorization. No vehicle can be used outside Kigali without travel order signed by the Head of Logistics in the institution or someone he has delegated. Use of Government vehicles during weekends requires special permission.
- Vehicle movement register is kept for checking. It is kept at the reception and completed by drivers on each departure and return. It contains the following information:
  - Date;
  - Vehicle plate number;
  - Hour of departure;
  - Mileage at departure time;
  - Destination;
  - Name of driver;
  - Mileage at time of return.

- Signature of driver.
- Logbooks are kept for each vehicle in order to control movements and consumption. They are kept in each vehicle and contain the following information:
  - Date;
  - Number of kilometers on departure;
  - Name of the driver;
  - Mission and name of the persons authorized to be transported;
  - Time of departure;
  - Hour of return;
  - Number of kilometers travelled;
  - Signature of the Head of Department authorizing the movement;
  - Petrol consumption, motor oil and brakes;
  - Remarks.
- The Head of Logistics compares logbooks with the vehicle movement register every week for efficient follow-up.
- The maintenance of vehicles (service and lubrication) is carried out whenever it is necessary. It is the responsibility of the driver assigned to a vehicle to inform the Logistics Officer when this is due. The garage attaches a tag in the vehicles, indicating the date of the next service.
- The Head of Logistics forwards the pro-forma invoice to the Accountant for the preparation of an order voucher. Once the voucher is prepared, it is sent to the garage. The garages prepare the invoice and send it to the institution.
- The Head of Logistics keeps an individual record for each vehicle. This record contains the following details:
  - Type and model of the vehicle;
  - Registration number;
  - The chassis number of the vehicle;
  - Number of the engine;
  - Colour of vehicle;
  - Year of manufacture;
  - Date of the reception of the vehicle;
  - Person to whom the vehicle is assigned;
  - Remarks, when it is necessary;
  - Summary of documentation and date of validity (insurance, tax).
  - Summary of incidents/accidents/services.

## **6.05. Management of District Accounts.**

- **Opening and closing of bank accounts.**

Opening of District or Town bank account must be authorized by the Council in conformity with Laws governing Districts and Towns. These accounts can be opened in commercial banks or any other authorized banking institution in the nearest District or Town headquarters.

It is advisable that Local Administration opens a bank account for income/revenue separate from the account for expenditure. This is to facilitate weekly payment provisions and to keep track of the banked revenue of the previous week and reconciliation of anticipated and banked funds with accounts records.

Surplus funds on monthly recurrent expenditure is transferred to capitation fund to increase the District investment capacity.

The Government subsidy or donors accounts are managed depending on their nature and agreements with the Local Administration.

- **Signatories to Bank Accounts.**

- There are two mandatory signatories to all Local Administration accounts: The Executive Secretary and the accountant for Districts and Towns. In the absence of one of the two, another person designated by the relevant authorities can countersign a cheque or a payment order.
- Cheques /payment orders, payment vouchers and other vouchers are presented to the signatories for verification before signing.
- It is strictly forbidden to sign/or co-sign blank cheques or payment orders.

- **Registration of Bank operations.**

- A separate bank registry is kept for each bank account. Registers are completed as the operations are carried out.
- Bank orders/cheques duly approved constitute the reason or basis for registration of the payment in the bank register.

- **Funds received/collected.**

The accountant may register the transfer of funds from donors, subsidies from the government as well as crediting interests through the credit notes.

He/she then verifies the credit notes on the basis of pay-in slips and/or any other correspondence coming from the donors.

- **Bank Reconciliation.**

- At the end of each month, the Accountant of the department in charge of Finance prepares a bank reconciliation statement for each bank account. The reconciliation statement is then signed and dated by its author and approved by the Executive Secretary.
- Any known credit and debit movements are registered in the bank register/book. The non-identified movements are noted by the Accountant and reported to the Executive Secretary who takes appropriate action.
- The cheques whose payments have not been effected for two months are cancelled out in the bank register and non-payment voucher is created. A new cheque is established in favor of the beneficiary, if the previous one has been confirmed as lost during the transactions.

- **Payment of invoices.**

- Payment by order vouchers or by cheques are approved according to the procedures indicated in this manual.
- Public Administration settles the invoices on their receipt depending on the availability of funds and according to the principle of «**First In, First Out**» (**FIFO**).
- If a cheque or a bank order has been cancelled, the Executive Secretary stamps at the back of the cheque « Cancelled» and signs on the front. All cancelled cheques are filed as annex to duplicates of cheque book.

- **Storage of financial documents.**

- Cheques like other financial documents are kept in the office of the Accountant. He/she makes sure that cheques, receipt books, and vignettes are kept in a strong room or in a safe.
- The Accountant makes sure there is a register for all such documents.
- Cheque books are requested from the bank by the Executive Secretary or Accountant who is also the signatory to the District accounts.

## **6.06 Petty cash operations**

- **Operation of the petty cash.**

- The Local Administration possesses petty cash, in Rwandan Francs, in order to facilitate the payment of minor expenses. The ceiling is fixed at Frw 100.000. Petty cash is used for payments below or equal to Frw 20.000.
- The cashier manages the petty cash which is kept in a small locked safe. The cashier is personally responsible for the money received. Any misuse of the petty cash constitutes a serious offence.
- The cashier keeps a petty cash book in which all movements of the petty cash are recorded. The pre-numbered cash release voucher are used in order to justify the release of the funds.
- The cash ledger contains the following details:
  - ❖ Number of the release Voucher
  - ❖ Date
  - ❖ Description of the transaction
  - ❖ Amount received/paid
  - ❖ Cash balance
  - ❖ Remarks, if necessary

- **Reimbursement of the petty cash.**

- In order to reimburse the cash, the cashier establishes a requisition voucher which must be accompanied by supporting records on the utilization of the previous money supplied. This requisition is submitted to the Accountant for approval.
- The Accountant submits the requisition to the Executive Secretary who verifies and signs it as a proof of approval of the supply.
- Following the approval , the Accountant writes a cheque, signs it and forwards it to the Executive Secretary for co-signing.
- Following the reception of the funds, the cashier registers the operation in his/her cash ledger.
- The Accountant carries out impromptu or unexpected controls of the petty cash, at least once a week.

- At the end of each month, the cashier closes the operations of the cashbox and forwards the statements to the Accountant for verification and imputation.
- **Payments.**
  - Any requisition of funds is addressed to the Executive Secretary by means of a petty cash voucher which clearly specifies the reason and the cost of the expenditure.
  - The petty cash voucher is approved and returned to the cashier for payment. The beneficiary signs in order to acknowledge the receipt of the money.

The amount of money paid from petty cash in advance must be justified within a deadline of 48 hours from the date of payment. The sums that are not justified must be reported to the Head of the Department responsible for Finance who will take appropriate action.

- Following the expenditure, the requisitioning officer submits the original documents justifying the expenditure as well as the remaining balance, to the cashier. The cashier fills the release voucher in duplicates by indicating the details of the amount. The balance must be indicated in the cash voucher.
- In case of any anomaly noted in the cash box, the Accountant refers the matter, in writing, to the Executive Secretary with a copy to the Executive Committee.

## **7. AUDIT FUNCTIONS.**

### **7.0 Introduction.**

Internal Audit caters for value-for –money in analyzing, evaluating, and assessing institutional and systems performance and service provision.

Internal audit is therefore a control mechanism that seeks to ensure there is effectiveness, efficiency, economy and equity (where applicable in the management of resources for maximum utility and output).

The internal audit thus seeks to provide evaluation and advice on performance, provide signals to guide management.

### **7.01 Internal Audit.**

#### **Objective.**

Ensure that there is effectiveness, efficiency and economy in the management of resources.

Effectiveness: Audit will check on the relevance and applicability of :

- The prescribed internal controls;
- The existing accounting procedures;

Efficiency : the audit will verify the:

- Adequacy of financial and management information systems.
- Adherence to rules and regulations provided for financial management and accounting.

#### **Economy.**

- Optimization of council's resource utility and their safeguard;
- The internal audit will thus evaluate systems and operations.

### **7.02. Management of Internal Audit**

#### **Documentation.**

This is a very vital tool of audit.

- ❖ Documentation is essential in verification, obtaining and recording of evidence
- ❖ It is used to provide explanations on findings.

### **7.3. Recording.**

This is a critical tool to show work is done and also acts as a management tool. Auditing must be clearly recorded in order to:

- ❖ Provide valuable information for explanations for conclusions arrived at.
- ❖ Facilitate subsequent inquiries by using recorded information as benchmark.
- ❖ Facilitate smooth continuity through handover to another auditor where the first one may not be able to continue.

#### **7.04. Auditing papers.**

##### **There are three types of accounting:**

- ❖ Those generated by audit department in planning and programming of their activities.
- ❖ Those recorded to provide audit information as shown above.
- ❖ Those generated by third party as part of evidence to support information gathered from books and records audited. This relates to such documents involving transactions like contracts and bank reconciliation statements etc.

#### **7.02.1. Record keeping.**

Working papers of audit must be well maintained : recorded, compiled, filed and cross-referenced. This should be done through establishment of index of audits and establishment of proper filings systems that will facilitate a smooth flow of activities and easy referencing.

#### **7.02.2. Sample of standard audit procedures.**

##### **The sample is provided for audit of Cash.**

- Areas of operation : all revenue collectors, imprest holders, cash units in treasury.
- For cash, audit must follow the path and control of cash from receipts up to the bank.
- For imprests audit will follow from withdrawal to disposal.

##### **Audit objectives.**

- To verify observance of internal control systems as per regulations.
- Confirm safety of handling of cash, including checking on losses and fraud.
- Procedures applied against recommended guidelines.

##### **Ascertain the following**

##### **Cash holdings:**

- Cash at hand with the cashier including imprests.

- Verify the previous audit inspection form.
- Check imprest warrant files.

#### **Cash controls and surveys.**

- This is the first exercise to be done. Avoid double counting.
- Ensure the cashiers are all the time present during the exercise.
- Ensure that there is a certificate to show how much was found in the ease and whether it tallies with the cash book balance or not; if there is shortage or balance and whether it has been accounted for. The cashier should countersign the note as is entered into the cashbook.
- Cheques and money orders may be part of the cash balance. But ensure that the cheques are neither stale nor post-dated, but crossed to the benefit of the Administration.

#### **Cash-books and receipt books.**

- Ensure that the cash book is up to date and balanced.
- All operational receipt books should be examined.
- Ensure that each receipt has been posted and initialed behind the last expended counterfoil.
- Relate receipt books to paid vouchers and entries in cash book.

#### **Surpluses and shortages.**

- Surpluses should be brought to account and receipted.
- Shortages should be reported appropriately and promptly.

### **7.03. External Audit.**

The external auditor of the Local Administration financial management should be independent. He/She must not be an employee of the District or Council. He/she should not be paid by the District audited. That will allow him/her to freely express his opinion (Certification) on the correctness or otherwise of the financial situation.

The Provinces should provide for funds to recruit external auditor for Districts in their annual budgets.

The essential work of the external auditor is to show if there is good management of District resources. If the management has respected the principles of accounts generally acceptable. He/She does not enter into daily verifications which is the work of the internal auditor.

He/She must verify if the existing accounts allow the District Council to take adequate decisions.

The Internal auditor must be competent to form an opinion. Following the verifications done by the external auditor, he/she can give his opinion like:

- a) Opinion with objective of giving advice: in such a case the auditor accepts existing management procedures, but proposes improvements.
- b) Reserved opinion: The auditor reserves his/her opinion for lack of adequate information.
- c) Clarification opinion : The auditor does not accept a part of financial situation because it is contrary to the generally accepted principles of accounts.
- d) Certification opinion : the auditor accepts the financial situation in its entirety. He/she certifies that the financial situation conforms to the generally accepted principles of accounts.

## **PART II: ACCOUNTING PROCEDURES.**

### **8. General Principles.**

#### **8.01. Accounting norms**

Rwanda Local Administration uses the international public sector accounting norms.

#### **8.02 Basic Principles of Accounts.**

- The basic Principles of accounts adopted by the Rwanda Local Administration is the modified basic Commitment type.
- Expenditures are authorised as soon as they have been incurred. While the revenue is recorded when actually received.
- Physical assets like land, buildings, and equipment are not included in assets balance sheet, but their acquisition is considered as a capital or revenue expenditure.

- Physical assets (immovable) and the inventory/stock are separately followed in off-balance sheet accounts so that they are continuously managed.

### **8.03. Nature of Accounts**

Local Administration accounts are subdivided into financial accounts, Accounts by program/function or type of budget and off balance sheet accounts.

#### **8.03.1 Financial Accounts.**

Financial accounts consist of balance sheet and management account.

The balance sheet is composed of financial assets, debts and accumulated surpluses.

- Financial assets include cash (in hand and at bank), debts to be recovered, with exception of taxes and duties and an inventory of items for resale.
- Debts consist of debts to be paid, bills to pay, to return, anticipated revenue, advance and other long term debts (hypothetical).
- Accumulated surpluses are the difference between assets and debts.

#### **8.03.2 Management Accounts**

Management accounts consist of income and expenditure of a particular period.

Income includes taxes and duties for services rendered, government subsidies and funds from donors.

Expenditures represent cost paid or not paid, by the local administration within a given period.

Expenditures can be classified by:

- (i) Nature (Economic classification, by objective or by item)
- (ii) Type of budget
- (iii) Function (sector, program)

Depreciations of financial assets are registered in accounts as an expenditure.

### **8.03.3.Account by program/function or type of budget.**

- **Account by program.**

It is important for the local administration to link their expenditure with their program activities, that will give them possibility and capacity to compare actual expenditures with initial estimates in the budget of the local administration.

- **Account by type of budget.**

Collection of income must be registered into the budget account to separate income meant for recurrent budget from income meant for development budget.

### **8.03.4 Off-balance sheet**

In accounts based on modified commitments, the off-balance sheet accounts include immovable assets, budgetary allocations, and commitments or contingencies.

A commitment is an allocation in the budget for a future expenditure before the expenditure is done or precisely determined.

## **9. Keeping Accounts.**

### **9.01 The principle of double entry system.**

Keeping of accounts is based on the principle of double entry system which advocates that all transactions must be registered in at least two accounts. These registrations represent debits and credits which should balance.

### **9.02 Different types of Local Administration transactions.**

The local administration has the following 3 big types of transactions:

- Revenue Collection;
- Expenditures;
- Salaries;

#### **9.02.1. Revenue collection**

##### **a) Actual receipts of the Local Administration.**

- **Revenue collection.**

The daily receipts are written on a receipt card which by nature constitutes a ventilation/breakdown of receipts.

The original of this card is established by the tax inspector, verified by the Cashier and approved by the District/Town tax collector and sent to the accounts as proof document. The amount collected is banked on an account separate from the expenditure account. The expenditure account is replenished by the revenue account by bank transfers. No expenditure must be done on the revenue account.

The opening of bank accounts must be authorised by the District or Town Council.

The signatories on the Local Administration accounts are : The Executive Secretary and the Accountant. In the absence of one of them, another person designated by the Executive Committee can co-sign a cheque or payment voucher.

After banking collected revenue the original banking voucher (pay-in slip ) is given to the accountant who registers it directly in the bank A/C kept by the Local administration .

#### **b) Subsidies and other received funds.**

The accountant registers Government Subsidies, donor transfers and other credit interests into the journal. He/she, thereafter, verifies the bank statement basing on banking slip and/or all other correspondence from the donors.

The Accountant registers the same operations in the bank accountant kept by the Local Administration (cash books).

The subsidy account should be separate from actual District or Town revenue/income account.

On the receipt of the bank statement the accountant should prepare a bank reconciliation statement.

#### **9.02.2. Expenditure.**

The Local administration can make purchases in cash or on credit. All expenditure above 20.000Frw must be made using purchase order. Advance payments are not accepted. However an advance representing more than 30% of the purchase order value in contract can be granted on request by the supplier.

##### **a) Buying on the spot**

The Accountant registers the transaction after the payment has been made. He/She directly ascertains the expenditure and the decrease in cash reserves in the accounts. The Accountant is reminded to make registrations in two phases :  
Registration by nature, by objective or by item.

- Registration by program/function

### **b) Buying on credit**

Buying on credit is done by a purchase order or a contract signed between Local Administration and the supplier.

This transaction is registered in the following three phases:

- Receipt of purchase order or contract by the supplier;
- Delivery or receipt of work and/or services accompanied by the suppliers invoice.
- Payment to supplier

For the first step the Accountant registers the amount of purchase order or contract in the purchases journal.

For the second step the Accountant ascertains the commitment to the supplier in the purchases ledger. The Accountant makes this operation into phases:

- Registration by nature, objective or item;
- Registration by program/
- For the third phase the Accountant ascertains the payment to the supplier:

This constitutes reduction in debts and liquidity in the cashbook.

### **9.02.3. Salaries.**

The first phase consists of ascertaining that the monthly salaries are paid by the Local Administration. This is done by establishing a summarised list of salaries consisting of all elements of a salary (see the format in the annex).

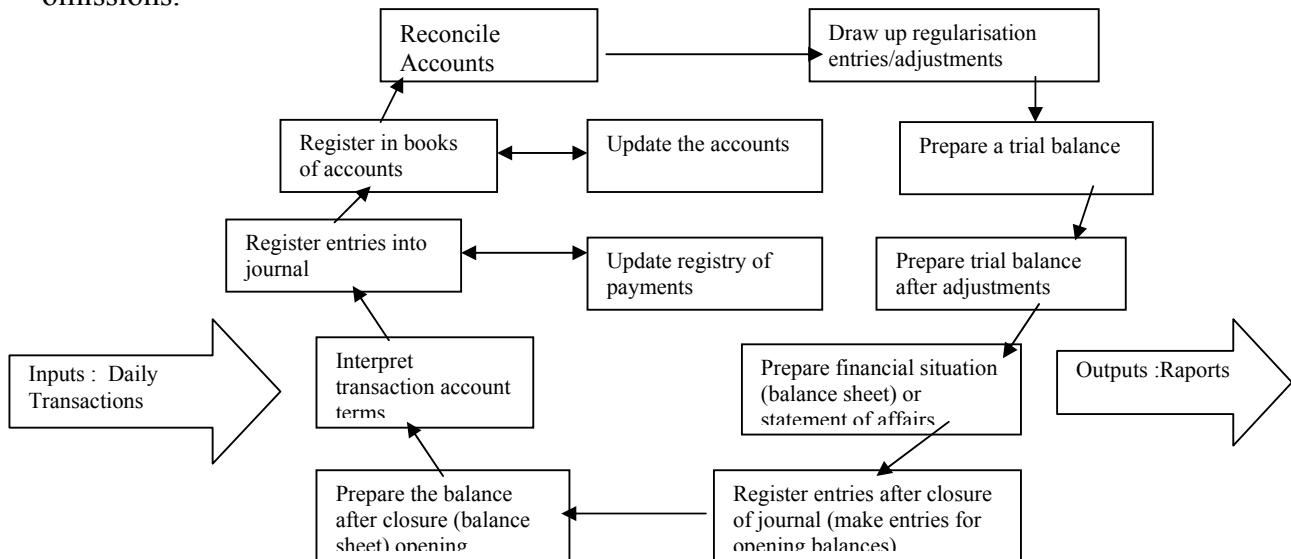
The Accountant makes the summarised salary list, the Executive Secretary verifies it and the District or Town mayor approves it.

This list constitutes an accounts document authorising expenditure and must be registered in the ledger as an expenditure to pay (debt to the employees).

The second phase ascertains payment of salaries which diminishes the debt to the employees.

### 9.03. Accounting cycle.

Daily activity of subtle accounts is the establishment of financial situation. To achieve this the following accounts cycle must be respected to avoid errors and eventual omissions.



Recording cash transactions. A cash transaction is one where there has been immediate payment for the commodity (goods or services).

**Step1:** Get a cash sale slip (usually called a receipt) for all cash purchases from the supplies and a receipt for services paid for.

**Step 2:** Identify the nature of transaction to determine the ledger account to be debited or credited. eg. In the case of a cash purchase, Debit the purchases account and Credit the cash book (cash as bank column) depending on whether payment was by liquid cash or by cheque.

Recording credit transactions. A credit transaction is one where goods are delivered or services are rendered and payment for them made on a later date.

Revise a requisition for the items (goods or services) wanted. If it requires tendering advertise the tender. The requisition must be approved by an authorized officer. In this case, the Executive Secretary. Once the decision to purchase on credit has been taken, the following steps in recording the transactions must be followed:

**Step 1:** Place an order for the goods and once supplied, the supplier issues an invoice

**Step 2:** Enter the value of the purchase invoices in the Journal in a chronological order.

**Step 3:** Enter the value each purchases invoice in the suppliers account in the ledger (credit). Then enter the credit purchases in the particular goods account e.g. Furniture A/C on the debit side. Consumables are also recorded in the same way.

**Step 4:** On payment for the goods. Enter the amount paid in the supplier's account debit side to cancel the debt and in cash book on the credit side, thus reducing the cash available. Here cash means cash in hand and at bank.

### **Preparation of financial statements**

At the end of each month, the accountant as accounts clerk balances all the ledger accounts and extracts a trial balance. The trial balance is then submitted to the executive Secretary for approval.

At the end of the fiscal (financial) period expenses incurred but not yet paid for are ascertained, stock of consumables not used in the same period are also ascertained and valued, any payments made for services not yet rendered are also ascertained and adjustments made. A new trial Balance is extracted and a Balance sheet is prepared. This reflects the financial position of the local authority.

Monthly financial reports are prepared by the accountant, verified by the Executive Secretary and approved by the Executive Committee.

Quarterly and annual reports are approved by the District/Urban Council which submit them to Provinces/Kigali City in the case of the District of Kigali City or Minister in charge of local administration through the District/Town Mayor.

After closing the fiscal (financial) year, the accountant makes closing entries in the ledger and prepares a balance sheet which will serve as a basis for the following financial year's entries records.

## **10. Financial reports**

The accountant prepares temporary financial situation for each month which he submits to the Executive Secretary a week after closing the month.

Quarterly financial statements are submitted to the District Council within 15 days after closing the term, while the annual financial statements are submitted before 31 January of the following exercise.

For simplicity and to ensure that the financial statements are well understood, each table of operations should be presented on one (1) page even when the entries are handwritten. For big Districts, having various accounts, it is strongly recommended to consolidate the sub-accounts into principal accounts, which appear in the District financial statements. The District/Town accountants must prepare the following returns.

- Financial statements/Balance sheet.
- Financial performance/Income and Expenditure (by item, function, and type of budget).
- Anticipated revenue situation (accumulated as per the current exercise).
- Bank reconciliation statement (A statement prepared by the accountant to reconcile bank records and cash records in the office).
- Statement on monthly financial management indicators.

#### **10.01 Financial Situation/Balance Sheet**

The balance sheet gives an image of the Local Administration financial situation on a given date. The balance sheet comprises of 3 sections, with the assets dominating one part of the table and debts and accumulated surplus covering the other part.

**REPUBLIC OF RWANDA**  
**KIGALI CITY/PROVINCE OF**  
**DISTRICT/CITY OF.....**  
**FINANCIAL SITUATION /BALANCE SHEET.**  
**LAST DAY OF MONTH/YEAR**

ON----- 20-----

Description	Month	Month N-1	Month N-2
Asset.			
Liquidities :			
Liquidities in bank : .....	.....	.....	.....
Liquidities in bank : .....	.....	.....	.....
CASH IN HAND : .....	.....	.....	.....
Debits to be recovered (Tax.....to be recovered not included) :	.....	.....	.....
Stock of goods to be resold : .....	.....	.....	.....
Debts to be recovered) : .....	.....	.....	.....
Total asset :			
LIABILITIES :			
Loans :			
Creditors to be paid: .....	.....	.....	.....
Payable bills : .....	.....	.....	.....
Receipts in advance : .....	.....	.....	.....
long-term Loans : .....	.....	.....	.....
<b>Total Loans :</b>	.....	.....	.....
<b>Surplus (net value) :</b>	.....	.....	.....
TOTAL LIABILITIES :	.....	.....	.....
PROBABLE DEBTS/LOANS)	.....	.....	.....

## 10.02. Financial performance situation ( receipts and expenses)

This series of financial situation gives a comparison between the receipts and expenses the local administration produces within the same period. The financial performance situation, therefore, indicates if the financial condition of local administration have improved or deteriorated since the last financial period.

### a) Expenses by Nature, Objective

**REPUBLIC OF RWANDA**  
**KIGALI CITY/PROVINCE OF**  
**DISTRICT/CITY OF.....**  
**FINANCIAL PERFORMANCE SITUATION/RECEIPTS AND PAYMENTS**  
**(EXPENSES)**

#### CLASSIFICATION BY NATURE, OBJECTIVE AND ITEMS

Description	Month	Month N-1	Month N-2
<b>Receipts</b>			
Tax/Duties :	.....	.....	.....
<b>Property tax</b>	.....	.....	.....
Other taxes			
Tax from services rendered			
Licenses & Permit of Market taxes			
Sports infrastructure taxes			
Inter-administrative			
Transfer from prefecture			
Transfer from Central Government			
Gifts from Donors			
Sale of Products	.....	.....	.....
Miscellaneous :			
Interest Received			
Profit/Loss from sales			
<b>TOTAL RECEIPTS</b>			
<b>Expenses :</b>			
Salaries and Allowances			
Entrepreneurs and consultants			
Rents			
Stationery (Office Furniture)			
Electricity, Telephone & Water charges			
Post fees			
Insurances			
Printings & Reproduction	.....	.....	.....
Mission transport allowance			
Bank charges			
Purchase of property			
Cost of goods sold			
Fuel and transport fees			
<b>Total Expenses :</b>			
<b>Surplus of the period (deficit)</b>			
<b>Surplus at the end of proceeding period</b>			
<b>Surplus at the end of current period</b>			
<b>Current commitment</b>			

<b>Total Surplus minus Commitment Accumulated</b>			
---	--	--	--

**b) Expenses by function (sector) program**

**REPUBLIC OF RWANDA**

**CITY OF KIGALI /PROVINCE OF.....**

**DISTRICT/CITY OF.....**

***FINANCIAL PERFORMANCE SITUATION/RECEIPTS AND EXPENSES BY FUNCTIONS  
(SECTOR, PROGRAM)***

Description	Month	Month N-1	Month N-2
Receipts			
Taxes :	.....	.....	.....
<b>Property tax</b>	.....	.....	.....
Other taxes			
Taxes from services rendered (paye tax)			
Licenses and permit			
Market taxes			
Sports infrastructure taxes (Usage of)			
Inter-administrative			
Transfer from Province			
Transfer from Central Government			
Gift (Grant) from Donors			
Sale of Products :	.....	.....	.....
Miscellaneous			
Interest received			
Profit or loss from sale			
<b>TOTAL RECEIPTS</b>			
Expenses			
Administration	.....	.....	.....
Education			
Social affairs and development			
Agriculture			
Public works			
Health			
Gender			
Youth			
<b>TOTAL EXPENSES :</b>			
<b>SURPLUS/DEFICIT OF PERIOD</b>			
<b>SURPLUS/DEFICIT AT THE END OF PREVIOUS PERIOD</b>			
<b>SURPLUS/DEFICIT AT THE END OF CURRENT PERIOD</b>			
<b>CURRENT COMMITMENTS</b>			
<b>SURPLUS MINUS COMMITMENTS</b>			

## c) Expenses by types of budget

**REPUBLIC OF RWANDA**  
**KIGALI CITY /PROVINCE OF**  
**DISTRICT/CITY OF.....**

**FINANCIAL PERFORMANCE SITUATION/RECEIPTS AND PAYMENTS, BY TYPES OF BUDGET**

Description	Recurrent	Development
Receipts		
Taxes :	.....	.....
<b>Property taxes</b>	.....	.....
Other taxes		
Taxes from services rendered (paye taxes)		
Licenses & permit		
Market taxes		
Taxes of usage of sports infrastructures		
Inter-administrative		
Transfer from Province		
Transfer from Central Government		
Grant from donors	.....	.....
Sale of Products :		
Miscellaneous		
Interest received		
Profit or loss from sale		
<b>TOTAL RECEIPTS</b>		
Expenses		
Administration	.....	.....
Education		
Social affairs and development		
Agriculture		
Public works		
Health		
Gender		
Youth		
<b>TOTAL EXPENSES :</b>		
<b>SURPLUS/DEFICIT OF THAT PERIOD</b>		
<b>SURPLUS/DEFICIT AT THE END OF PREVIOUS PERIOD</b>		
<b>SURPLUS/DEFICIT AT THE END OF CURRENT PERIOD</b>		
<b>CURRENT COMMITMENTS</b>		
<b>TOTAL SUPRLUS MINUS COMMITMENTS</b>		

### 10.03. Budget management situation

Situation of loans, commitments and expenses indicates the situation of budget.

The Accountant should monitor not only the cumulative effective expenses but also the commitment in order to provide the clear idea about expenses which will be made resulting from actions of current.

**REPUBLIC OF RWANDA**  
**KIGALI CITY/PROVINCE OF**  
**DISTRICT/CITY OF.....**

**Situation of loan, Commitments and expenses.**  
**by function/Sector/program**

	Initial Loan	Revised (A) Loan	Expenses and commitments planed for the current month (B)	Effective Expenses (C )	Remaining commitme nt (D)	Net Balance (A-C-D)	Effective expenses and commitments as % of provisions = (C+D)/(B)
<b>Administration</b>							
<b>Education</b>							
<b>social Affairs and Development</b>							
<b>Agriculture</b>							
<b>Public works</b>							
<b>Health</b>							
<b>Gender</b>							
<b>Youth</b>							
<b>Total</b>							

#### 10.04. Situation of effective revenue and planned revenue

Similarly, you should compare the effective receipt with initial previous.

**REPUBLIC OF RWANDA**  
**KIGALI CITY/PROVINCE OF**  
**DISTRICT/CITY OF.....**

#### Anticipated and effective receipts situation /Receipts and expenses Types of Receipts

	Monthly Provisions	Monthly effective receipts	Difference between effective receipts & planned receipts	Cumulative planned receipts from the beginning of the year to the present date	Cumulative effective receipts from the beginning of the year to the present date	Difference between cumulative planned receipts and cumulative effective receipts	Relation ship between effective receipts and planned receipts at present date
<b>Receipts</b>							
<b>Taxes</b>							
Property taxes							
Other taxes							
Tax from services rendered (paye)							
Licenses and permit							
Market taxes							
Tax on us of sports infrastructure							
Inter-administrative							
Transfer from province							
Transfer from Central Government							
Grants from donors							
Sale of Products							
Miscellaneous							
Interest received							
Gain or loss on sales							
<b>TOTAL RECEIPTS</b>							

**10.05. Bank Reconciliation**

Bank reconciliation statement is prepared by the accountant to validate the liquidity balances which will be shown in the balance sheet and will support other accounts. It is important to verify if the information on liquidity is correct.

**REPUBLIC OF RWANDA**  
**KIGALI CITY/PROVINCE OF**  
**DISTRICT/CITY OF.....**

***Bank reconciliation***

Description	Month	Month N-1	Month N-2
Balance or Bank statement (end of period)	.....	.....	.....
	.....	.....	.....
<b>Add: Cash deposit :</b>			
Other taxes			
Cheque n° 25224			
Cheque n° 3829			
Error from bank- incorrect imputation of cheque at local administration account			
Remove cheque in circulation/endorsements			
	.....		
Cheque n° 225			
Cheque n°1228		.....	.....
Cheque n° 1233			
Cheque n° 1235			
 <b>Total Receipts</b>			
Balance from books	.....		
Add		.....	.....
Interests retained by bank			
Bank commission on Bank situation			
Error on coded cheque 1239			
Remove :			
Bank commission cheque NSF sent to the giver			
<b>Balance checked on account of liquidities :</b>			

### 10.06. Monthly financial management indicators report

In order to draw a concise report of financial health of District or city, some indicators have been developed and they should be included on monthly financial report. Those indicators come from data already included on financial report but are simply expressed (shown) in a different format.

**REPUBLIC RWANDA**  
**KIGALI CTY /PROVINCE OF**  
**DISTRICT/CITY OF.....**

#### *Monthly Financial management indicators.* **(Report starting on .....)**

Indicators	Month N	Month n-1	Month N-2
1. Balance of liquidities			
2. Total debt and commitments			
3. Total debt refund /total receipts.			
9. Debts and commitments/total receipts			
10. Number of unpaid invoices Number of unpaid months			
11. Receipts not obtained/total receipt planned			
12. Number of days after 6 <sup>th</sup> working day when the RF has been transferred			

**10.07. Table of CASH FLOWS**

**REPUBLIC OF RWANDA**  
**KIGALI CITY /PROVINCE OF**  
**DISTRICT/CITY OF.....**

*Table of cash flow*  
**(Indirect method)**

Description	Month N	Month N-1	Month N-2
<b>Cash flow of current operations</b>			
Deficit of receipts over expenses			
Adjustment of deficit :			
Add : increase/decrease of debt to be paid			
Add : increase/decrease of debt to be paid in advance			
Less : increase/decrease of inventory to be sold			
Net cash flow from current operation			
Net cash flow from investments			
Rent receipts			
Net cash flow from investment operations			
Net cash flow from financial operations			
acquisition of bills payable increase of long-term loans			
Net cash flow from financial operations			
Increase/decrease of net balance of liquidities (cash)			
Balance of liquidities (cash) at the beginning. (cash balance carry forward)			
Cash balance at the end (cash balance carry down)			

**10.08. Information to be communicated in financial situations**

Informations to be communicated in financial situation and supplementary reports include additional information on financial situation which provide a clear image of economic situation of local administration.

That information will be based on commitments, fixed assets which do not appear in financial situation.

## **ANNEXES**

ANNEX N°.....

**REPUBLIC OF RWANDA**  
**KIGALI CITY /PROVINCE OF**  
**DISTRICT/CITY OF.....**

**FORM OF CASH RECEIPT****Frw**

Cash in hand  
(In various denomination)

Bill of 5000 \_\_\_\_\_  
Bill of 1000 \_\_\_\_\_  
Bill of 500 \_\_\_\_\_  
Bill of 100 \_\_\_\_\_  
Bill of 50 \_\_\_\_\_  
Bill of 20 \_\_\_\_\_  
Bill of 10 \_\_\_\_\_  
Bill of 5 \_\_\_\_\_  
Bill of 1 \_\_\_\_\_

TOTAL COINS IN \_\_\_\_\_

TOTAL COINS IN CASE IN ACCORDANCE  
WITH THE LIMIT AUTHORIZED \_\_\_\_\_

THEORITICAL RECEIPT  
(in conformity with case book) \_\_\_\_\_

SURPLUS /IN CASE OR DEFICIT IN CASE \_\_\_\_\_

PREPARED BY \_\_\_\_\_ DATE  
FUNCTION

REVISED BY \_\_\_\_\_ DATE  
FUNCTION

APPROVED BY \_\_\_\_\_ DATE

ANNEX N°.....

**REPUBLIC OF RWANDA**  
**KIGALI CITY /PROVINCE OF**  
**DISTRICT/CITY OF.....**

**EXIT CASE VOUCHER N° ...../...../200....**

Name and surname.....  
 Function.....  
 Amount.....  
 Reason.....  
 Date.....  
 Amount used .....  
 Balance remitted .....

Beneficiary

Cashier (e)

Visa/Signature

ANNEX N°.....

REPUBLIC OF RWANDA  
KIGALI CITY /PROVINCE OF.....  
DISTRICT/CITY OF.....

PURCHASE ORDER N° ...../20....

SUPPLIER.....TO DELIVER TO.....

<b>Quantity</b>	<b>Designation/type</b>	<b>Price per.Unit</b>	<b>Total Price</b>
		Total	

Done at Kigali....., on ...../...../200...

Delivery time :

Conditions of payment :

Established by  
**Accountant**

Verified by  
**Executive Secretary**

Approved by  
**District or Town Mayor**



ANNEX N°.....

**REPUBLIC OF RWANDA**  
**KIGALI CTY /PROVINCE OF**  
**DISTRICT/CITY OF.....**

## FORM OF TRANSFER OF ASSETS

Type	Number	Description	Initial cost	Situation

Prepared by the Accountant..... Date.....

Authorized by Executive Secretary. ....

Date.....

Approved by District Committee.....

Date .....

From.....

To.....

Method of Transfer .....

Received by ..... Date.....

I confirm that the asset (s) written above were received by me this  
 day...../...../200..... in the condition described above.

(If not give more details )

Signed by the Executive Secretary.....

ANNEX N°.....

REPUBLIC OF RWANDA

KIGALI CITY /PROVINCE OF.....

DISTRICT/CITY OF.....

BR n°.....

Date.....

Title.....

Code of Program .....

Code of Sub-program.....

**In accordance with the budget approved by the District /Tow Council, I request you to authorize the expenses here under :**

Budgetary lines	Descriptions of expense	Quantities

Date: .....

Signature of Department Head

Date.....

Signature of Accountant

Date .....

Approval by Executive Secretary

ANNEX N°.....

**REPUBLIC OF RWANDA**  
**KIGALI CITY /PROVINCE OF.....**  
**DISTRICT/CITY OF.....**

**STOCK EXIT VOUCHER N°.....**

Storekeeper.....				Program.....		
Please issue the following stock/commodities				Sub-program		
For the department, of .....						
Signature of the Head of Department.....						
Item	Code	Description	Unit	Quantities	Price per-unit	Amount
Beneficiary.....				Accountant/Financial Controller		
Name and signature.....				Name and signature		
Stock manager.....						
Name and signature.....						

Original:       Accounts  
Duplicate :     Stock manager  
Triplicate:     Beneficiary  
Quadruplicate : Stock Book

This document serves to transfer consumer goods per program and will be used as proof document of funds allocated to such program.









ANNEX N°.....

**REPUBLIC OF RWANDA**  
**KIGALI CITY /PROVINCE OF.....**  
**DISTRICT/TOWN OF.....**

**PAYMENT ORDER FORM N°.....**

Applicant.....  
 Beneficiary .....  
 Amount requested.....  
 Reason for request .....  
 Budgetary line.....  
 Opinion of the Head of Department .....  
 Opinion of the Chief Accountant .....  
 Opinion of the Executive Secretary.....  
 Approval of Mayor.....  
 Signature for payment :  
     - Beneficiary .....  
     - Chief accountant/cashier.....  
 Mode of payment : - Bank : - Cheque Payment order N° .....  
                           - Casse : Case exit voucher. N°.....

Case Exit voucher:

REPUBLIC OF RWANDA  
 KIGALI CITY/PROVINCE OF.....  
 DISTRICT/TOWN OF.....

***CUMMULATIVE LIST OF PAY MONTH OF .....20....***

Date of payment															
Name and Surname	Function	Basic Salary	Housing allowance	Transport allowance	Function allowance	Other allowances	Gross Salary	Family charges	Tax Base	TPR (PAYE)Tax.	Social security fund.	FARG	Other charges	Total Charges	Net Salary

Established by Accountant

Verified by the Executive Secretary

Approved by the Mayor

.....

.....

.....

REPUBLIC OF RWANDA  
KIGALI CITY/PROVINCE OF.....  
DISTRICT/TOWN OF.....

Verification of balance at ...../...../20....

N° of Account	Description of accounts	Debit balance	Credit balance
Total			









ANNEX N° .....

REPUBLIC OF RWANDA

KIGALI CITY/PROVINCE OF.....

DISTRICT/TOWN OF.....

(Daily revenue receipt)

Sector of.....

Date	Tax payers	Receipt	cheque	Type of receipts (code)					Revenue (code)		
				Total							

prepared by .....

Signature .....

checked by : .....

Signature.....

approved by.....

Signature .....

ANNEX N° .....

**REPUBLIC OF RWANDA**  
**KIGALI CITY/PROVINCE OF.....**  
**DISTRICT/TOWN OF.....**

Sector of.....

## Daily revenues release

		Amount
Opening balance		
Revenues collected	Details	
Revenues deposited	Proof	
Balance undeposited		
Balance to be carried forward		

Reason for undeposited balance .....

Prepared by .....

Signature .....

Checked by.....

Signature.....

Approved by.....

Signature .....

**ANNEX N°** .....

**REPUBLIC OF RWANDA**  
**KIGALI CITY/PROVINCE OF**  
**DISTRICT/TOWN OF.....**

# FISCAL STATUS REPORT

Month of .....

Serial number S/N°	Tax payer	Debit (duties)											Credit			Balance
													Payment	Tax relief	Restitution	
Total																

**ANNEX N° .....**

**REPUBLIC OF RWANDA**  
**KIGALI CITY/PROVINCE OF.....**  
**DISTRICT/TOWN OF.....**

# REPORT ON RECEIPTS PERFORMANCE

## MONTH OF .....

[illegible]